

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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August 4, 2010

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Informational Item: Grand Jury Survey of Independent Special Districts and MSR Work Plan for FY 2010-11

DISCUSSION

The Sacramento Grand Jury conducted a survey of 31 Independent Special Districts in Sacramento County. A copy the Grand Jury Report and Findings is attached. The Sacramento Grand Jury also made the following Findings and Recommendations related to Sacramento LAFCo:

Finding 6.0 Sacramento LAFCo is responsible for oversight of government agency functions and performance, and for all changes of agency boundaries and functions. Sac LAFCo has not completed the state mandated Municipal Service Reviews for the majority of Independent Special Districts in Sacramento County. If special district malperformance is identified, Sac LAFCo is often the last best hope for corrective action when Independent Special Districts fail to perform.

Recommendation 6.1 Sac LAFCo must conduct, and review as necessary, the state mandated Municipal Service Reviews for every Independent Special District.

Recommendation 6.1 Sac LAFCo must evaluate, and forthrightly judge, the performance of every Independent Special District. When needed, it should initiate reorganization (consolidation, dissolution, or annexation) proceedings to assure protection of public health, safety, and welfare.

Recommendation 6.2 Local agency information on Sac LAFCo web site should be improved by including documents or links on Independent Special District budgets, required financial reports and audits, utility rate schedules, current regulatory citations and compliance orders, enabling laws and director rosters.

Summary

A written response to the Sacramento Grand Jury is due by October 1, 2010.

Commission Counsel and I will prepare a draft response for Commission consideration and approval for September 1, 2010. In addition, I will present a revised procedure to process MSR's together with a MSR work plan. The following discussion summarizes the proposed approach that will be presented.

Municipal Service Reviews

Sacramento LAFCo requires Municipal Service Reviews for Spheres of Influence Amendments, annexations, reorganization, change of organizations, authorization of latent powers, and with any other similar action requiring Commission approval.

Staff is currently in the process of trying to develop a cost effective and efficient approach to process Municipal Service Reviews that are not related to specific projects or Commission actions.

Staff will report back to the Commission in September on a revised MSR process and a work plan.

The following list attempts to outline possible revisions to the MSR process, however, we are continuing to evaluate this tentative process to find the most efficient and cost-effective approach for LAFCo and independent special districts in order to minimize the amount of resources that will be required to complete the reviews.

Tentative MSR Process

1. Streamline MSR Questionnaire
2. Require District's to fill out questionnaire in word document format and provide other required information in electronic format that can be accessed and incorporated in the MSR as necessary
3. LAFCo would then evaluate response to questionnaires and conduct public outreach
4. Prepare Draft MSR utilizing information provided in word format and conduct a public hearing
5. Prepare Final MSR for Commission approval

Please contact Peter Brundage at 874-5935 if you have any questions.

Attachment