

## 2.0 Introduction

This section of the Holtville Service Area Plan/Municipal Service Review (SAP/MSR) provides history of the legislation and municipal review requirements as well as the Imperial County Local Agency Formation Commission (LAFCO) Service Area Plan Guidelines.

### 2.1 Brief History of the Municipal Service Review

In 1997, AB 1484 (Hertzberg) established the Commission of Local Governance for the 21<sup>st</sup> Century. The Local Governance Commission evaluated local government organization and operational issues and developed a statewide vision for defining how the State should grow, placing special attention on the Cortese-Knox Local Government Reorganization Act of 1985 and the 57 Local Agency Formation Commissions governed by the Act.

Over a period of 16 months, the Local Governance Commission held hearings throughout the State to hear testimony and collect data concerning the need for governmental reform. In issuing its final report, the Local Governance Commission identified four recurring issues that frame the debate about the future of California:

- *The future will be shaped by continued phenomenal growth;*
- *California does not have a plan for growth;*
- *Local government budgets are perennially under siege; and*
- *The public is not engaged.*

Within this context, the Local Governance Commission concluded that LAFCO powers needed to be strengthened and that LAFCOs should be an integral participant in all regional growth and planning forums. Among other statutory changes, the Local Governance Commission recommended that State Law be amended to require that spheres of influence are regularly reviewed and updated and that LAFCOs initiate periodic regional or sub-regional municipal service reviews to help ensure the efficient provision of local governmental services.

The State Legislature recognized the validity of the Local Governance Commission's conclusions and approved AB 2838 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), which became effective in 2001. Among other requirements, AB 2838 requires LAFCOs to review adopted spheres – and update them if necessary – not less than once every five years. The five-year timeline is advisory, not mandatory; however, many LAFCOs throughout the state, including the San Diego LAFCO, have embarked on aggressive sphere update and service review programs. AB 2838 also requires the Commission to conduct countywide, regional or sub-regional reviews of municipal services either before, or in conjunction with, sphere updates.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to conduct reviews of municipal services and make nine written determinations. Determinations may be one or more declaratory statements or conclusions, based on the service review data. The determinations may be used by LAFCO, other agencies, and/or the public to better understand service delivery and service conditions. While the service review determinations will not have

immediate implementation value, the determinations and the overall service review process may have future value and use. For example, the service review process will result in open up dialogue between agencies, and provide for the sharing of data, communication, and services among local agencies, organizations, and stakeholders.

## 2.2 Municipal Service Review Requirements

The term “municipal services” generally refers to the full range of services that a public agency provides or is authorized to provide. The Governor’s Office of Planning and Research (OPR) has concluded that LAFCO is only required to review services provided by agencies with spheres of influence. In addition, OPR has determined that LAFCOs have complete flexibility in identifying which services will be reviewed, the timetable for review, and what geographic areas will be selected for review.

The statewide requirement for service reviews is a response to the identified need for a more coordinated and efficient public service structure to support California’s anticipated growth. The service review provides LAFCO a tool to comprehensively study existing and future public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently provided.

## 2.3 MSR Determinations

In preparing a municipal service review, LAFCOs are required to make a written statement of determination with respect to each of the following:

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options
8. Evaluation of management efficiencies
9. Local accountability and governance

LAFCO must make these determinations pursuant to the provisions of Government Code § 56430; the municipal service review process does not require LAFCO to initiate changes of organization based on the determinations. Nevertheless, LAFCO, local agencies, and the public may subsequently use the determinations as an informal tool to consider changes to services, local jurisdictions, or spheres of influence.

It is worth noting, that local agencies are not the object of the municipal service review; rather, service reviews are intended to survey the *adequacy of public services* within specific regions. Nevertheless, because public agencies are the mechanism for providing services, the review of individual agencies is unavoidable.

## 2.4 Imperial County LAFCO Service Area Plan (SAP) Guidelines

The Imperial County Local Agency Formation Commission (LAFCO) has responded to the new mandates of AB 2838 by adopting State MSR Guidelines from the Governor's Office of Planning and Research (OPR) as the Imperial County LAFCO's new Service Area Plan (SAP) guidelines.

The primary purpose of the updated SAP guidelines is to assist Imperial County LAFCO in making the nine determinations required by the Municipal Service Review statute. According to the Guidelines, service reviews generally will be prepared in conjunction with sphere of influence studies or updates; however, service reviews may also be conducted independent of the sphere of influence process. LAFCO will conduct municipal service reviews independent of sphere updates based on a number of the factors, including but not limited to: concern of affected agencies, the public, or LAFCO; public demand for a service review; public health, safety or welfare issues; and service provisions issues associated with areas of growth and development.

According to the Imperial County LAFCO Guidelines, municipal service reviews will address identified services within the service review boundary, which are generally associated with growth and development. Target services include, but are not limited to, water, sewer, drainage, libraries, roads, parks, police, and fire protection.

## 2.5 Background

The City of Holtville is located in southern Imperial County, approximately eight miles to the east of El Centro, southeast of Brawley, and northeast of Calexico. Regional access to the City is provided by Interstate 8, State Route 7, and State Highway 115. **Figure 2-1** depicts the regional location of the City.

The current boundaries of the City are generally defined by Melon Road to the west, Underwood Street to the north, Towland Road to the east, and De Paoli Road to the south. The City's SOI is generally bounded by Edwards and Haven Roads to the south, Bridenstein Road to the east, Kamm Road to the north and State Highway 115 and the Barbara Worth Country Club to the west. **Figure 2-2** depicts the study area for the SAP which includes the existing City and its adopted SOI.

## 2.6 Report Organization

This SAP/MSR contains the following sections, which satisfy the informational requirements identified by LAFCO guidelines:

- **1.0 Summary** focuses on the financing of various facilities and the conditions proposed by the plan;
- **2.0 Introduction** outlines how the plan should be used, and includes a summary of format and content;

**Figure 2-1  
Regional Location**

**Figure 2-2**  
**Study Area Boundaries**

- **3.0 Growth and Phasing Projections** highlights the City’s existing, developing, and future land uses, along with anticipated development/land uses within the SOI. The section also identifies how and when future development will be phased as a means of anticipating future public facility/service needs;
- **4.0 Requirements for Facilities and Services** provides a description and analysis of when and how each facility and service will be provided and financed based upon buildout projections and phasing assumptions;
- **5.0 Fiscal Issues** provides a summary of the financial alternatives available to fund each facility and service, along with a discussion of the potential impact of SOI development on City finances.
- **6.0 Structure, Accountability, Governance, and Management Efficiencies** examines organizational options for the City and considers the degree to which the City fosters local accountability in decision making and operational and management decision making bodies.
- **7.0 SAP/MSR Determinations** includes the nine determinations required under California Government Code §56430 for the City and each of its facilities and services reviewed in Section 4.0.