

EXECUTIVE OFFICER'S REPORT

To The

Local Agency Formation Commission

TO:

Commissioner **DAVID WEST** (Chair) [Public] Commissioner **MICHAEL KELLEY** [Supervisor]
Commissioner **JASON JACKSON** [City] Commissioner **RAY CASTILLO** [Supervisor]
Commissioner **MARIA NAVA-FROELICH** (Vice-Chair) [City]

Alt Commissioner **LUIS PLANCARTE** [Supervisor]
Alt Commissioner **JIM PREDMORE** [City]
Alt Commissioner **RALPH MENVIELLE** [Public]

REPORT DATE:

FROM:

Jurg Heuberger, AICP, CEP, Executive Officer

PROJECT:

City of Holtville Service Area Plan (SAP) / Municipal Service Review (MSR)/Sphere of Influence (SOI) HV 1-17

HEARING DATE:

July 27, 2017

TIME: 08:30 a.m.

AGENDA ITEM NO:

4

HEARING LOCATION:

El Centro City Council Chambers, 1275 Main Street, El Centro, CA

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER

(In Summary & Order)

- OPTION #1:** Approve the proposed Service Area Plan/MSR/SOI update as presented and recommended by the Executive Officer.
EXHIBIT "D"
- OPTION #2:** Approve the proposed Service Area Plan/MSR/SOI update as requested by the City with modifications, following the hearing by the Commission.
EXHIBIT "E"
- OPTION #3:** Continue the hearing for not to exceed 70 days.
- OPTION #4:** Deny the Service Area Plan update, and provide direction to the City for corrections.

Project Data:

DATA & FACTS:

Project ID: HV 1-17

Project Name: Service Area Plan Update (SAP)/MSR/SOI

Applicant/Proponent: City of Holtville

Application Type: Petition EXHIBIT "A"

Application Filed: 06/08/17

Certificate of Filing: N/A

Area/Size: +/- 5,011 acres

Location/Legal: Current Sphere of Influence Map/City Boundary Map EXHIBIT "B"

Population: Current Population is about 6,100 with an estimated growth for 2035 to about 7,300.

Proposed Project: Service Area Plan (SAP) / Municipal Services Review (MSR) Update.

MSR/SAP: The most recent version of the MSR/SAP is 2015.

TAX AGREEMENT:

Board of Supervisors Action: N/A

City Resolution: N/A

Tax Split: N/A

CEQA:

Lead Agency: LAFCO

Documentation: Exempt

ANALYSIS

I: Legal Requirements (Historical information):

Cortese-Knox-Hertzberg Reorganization Act of 2000 (CKH), also referred to as Government Code 56000 et Seq., provides the legal basis for the requirement of the Sphere of Influence and the Service Area Plan being considered within the scope of this hearing.

G.C. § 56425 (a) states in part; *"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency with the county and enact policies designed to promote the logical and orderly development of areas within the sphere."*

G.C. § 56425 (b - i) provide the frame work within which the Commission may approve the sphere of influence and the process that needs to be followed.

G.C. § 56425 (e) states in part; *"In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determination with respect to each of the following:*

- (1) *The present and planned land uses in the area.*
- (2) *The present and probable need for public facilities and services in the area.*
- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
- (4) *The existence of any social or economic communities' of interest in the area if the commission determines that they are relevant to the agency.*

G.C. § 56425 (f) is a critical new section that changed the parameters of the prior review insofar that this section now requires that; *" Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years".*

There appears to be a misconception that the agencies will have to prepare a full new plan every five years, however the intent here is to "review" the prior plan and to amend it if necessary. If there have been significant changes, or if there has been explosive growth, then certainly the amendment will be much more comprehensive.

G.C. § 56428 (a) provides the mechanism for anyone to file a request with the executive officer for an amendment to the sphere of influence. It states in part; *"Any person or local agency may file a written request with the Executive Officer requesting amendments to a sphere of influence or urban service area adopted by the commission..."*

Again there may be some confusion in this area as there have been numerous questions about the "limitations" of the sphere and the process to amend.

It appears clear that the mandate is to review the plan at least every five years but there is no apparent restriction on the number of times that it may be amended nor is there a restriction on who can request such an amendment, there is only a process that needs to be followed. It goes without saying however that for an amendment to work it needs the consensus of the City/District, the County and the Commission.

Just as there are provisions for the addition of areas to a sphere of influence there are provisions for a process to remove an area from an approved sphere boundary. This is found in G.C. 56429.

In addition to the SOI process G.C. § 56430 (a - d) now addresses the requirement for the review of municipal services which in our case has been referred to for nearly a decade as the Service Area Plan (SAP).

G.C. § 56430 (a) states; *"In order to prepare and to update spheres of influence in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the sub region, or any other geographic area as its appropriate for an analysis of the service or service to be reviewed and shall prepare a written statement of its 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) *Governmental structure options, including advantages and disadvantages of consolidation or reorganization of service providers.*
- 8) *Evaluation of management efficiencies*
- 9) *Local accountability and governance."*

G.C. § 56430 (d) also required that the Office of Planning and Research of the State, in consultation with the commissions, and the California Association of LAFCO's and other governmental agencies, SHALL prepare a comprehensive set of guidelines for service reviews by July 1, 2001. Unfortunately there has not been a final set of guidelines adopted by the state at this time, although a very complete and "almost" final version has been distributed by the State. Since these guidelines are voluminous a full text copy is not attached to the report however there is a PDF copy on the CD rom that has been provided to each commissioner and every interested party. Furthermore, the Executive Officer has urged the various entities to utilize the "draft final" version as a guide to preparing the SOI and SAP.

II: The PLAN as submitted:

EXHIBIT "C"

Michael Baker International on behalf and under direction by the City, has prepared and has presented to the Commission a comprehensive Service Area Plan (SAP). The full plan (hard copy) is not attached to all recipients of this report, only to the Commissioners; however, a copy of the full plan is available on the website.

III: City Approvals:

Pending and to be required upon adoption by the LAFCO.

IV: CEQA:

It is argued and it is the Executive Officers opinion that the Service Area Plan fit within one or more "exemptions" under the provisions of CEQA, not the least of which is the possible determination that this process is "not a project".

V: Analysis by the Executive Officer / Determinations by the COMMISSION:

G.C. § 56425 (e) states in part; "In determining the sphere of influence of each local agency, the Commission shall consider and prepare a written statement of its determination with respect to each of the following:

- (1) *The present and planned land uses in the area.*
- (2) *The present and probable need for public facilities and services in the area.*
- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
- (4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

Proposed findings by the Commission:

- 1) **The present land use within the boundaries of the proposed SAP includes residential, commercial, industrial, public facilities, and open space. Land uses for the City of Holtville are regulated by the City of Holtville's General Plan.**
- 2) **The present services provided by the City are administration, flood control/damage, fire, law enforcement, library, circulation, parks and recreation, wastewater and water. There will be no need for additional services in the near future. It is noted that the City no longer has a police department and currently contracts with the County Sheriff.**
- 3) **Currently some of the services/functions provided by the City are at capacity or near capacity.**

a. Administration

- i. Capacity – The City of Holtville's standards require following a 0.82 administrative staff per 1,000 residents.

Findings – While the City is almost meeting the standard, recommendations as presented on page 15 should be followed by the City for any additional staffing.

b. Flood Control/Damage

- i. Capacity – The City's drainage system, located within the City's urban area, is functional and considered adequate for the area.

Findings – Any new development must follow the recommendations on page 45 of the plan.

c. Fire

- i. Capacity – The City currently provides fire suppression, fire protection, and emergency medical services within the city limits as well as to surrounding jurisdictions pursuant to a mutual aid agreement. The performance standard is 1.2 firefighters per 1,000 population. While the current system is marginally adequate, the City in order to consider development and increase population will have to make some significant upgrades.

Findings – To meet existing standards with future development anticipated the City must implement the recommendations listed under 4.2.2 on page 18-19 of the plan.

d. Law Enforcement

- i. Capacity – To fulfill the City's requirements, and without having its own police force, the City contracts with the County Sheriff.

Findings – While the ratio of officers to population may not be what the City would like to maintain as a standard were it to have its own forces, the financial impact warrant the City to continue to contract for services. Implementation of the recommendations on pages 21-22 should be followed.

e. Circulation

- i. Capacity – The City streets currently appear to operate at Level C or better.

Findings – With an increase in population the projections indicate that City streets would continue to operate at LOS C or better. Any new development will be required to perform traffic studies and implement road improvement as necessary to maintain the level of service.

f. Parks & Recreation

- i. Capacity – The City currently has a total of 14 acres of developed parkland.

Findings – The current level serves the community; however future growth requires the implementation of the recommendations on page 25.

g. Wastewater

- i. Capacity – The current wastewater collection system is a gravity flow system in which has a .85 MGD capacity and average daily flow of about .56 MGD. The City awarded a contract to construct improvements to the WWTP on July 13, 2015 and the project has since been completed and in compliance with the RWQCB CDO.

Findings – Per the updated report, should development projections be realized, significant improvements to the system would be required. The projection of .87 for 2030 would require the implementation of recommendations under 4.7.2 page 40-41.

h. Water

- i. Capacity – The existing water distribution systems consists of one water treatment plant, capable of treating about 3.15 MGD per day.

Findings- Updates and improvements to the WTP system are needed to comply with violations as shown on page 34. Future growth would require the implementation of the recommendations on page 37.

4) There are no known social or economic communities of interest in the area.

Sphere of Influence (SOI)

A Sphere of Influence (SOI) is a "plan for the probable physical boundaries and service areas of a local agency as determined by the Commission."

The City of Holtville submitted an application to modify the current Sphere of Influence (SOI). The Executive Officer has reviewed the application and supports a modified SOI with the **exclusion** of the proposed "dog leg" area along Orchard Rd, South of Edwards "EXHIBIT D". **The reasons for the exclusion are as follows:**

1. **The area is not consistent with the LAFCO's "clean" and orderly boundaries.**
2. **The City currently has an extensive SOI that would allow it to grow for over 50 years at the projected rate of their own General Plan.**
3. **There is no benefit that the City can achieve by having the area south of Edwards Rd., along Orchard Rd. to I -8 included.**
4. **To include this area would require an extensive update to their SAP (Service Area Plan) at a detail that would be highly costly, yet entirely speculative, and it would have to be updated every 5 years and most certainly at a future time when actual development is planned.**
5. **The City cannot use the area, as the SOI is at best a planning area for a "reasonably foreseeable future", and the City cannot annex the area so there are few if any benefits.**
6. **The LAFCO has denied other similar proposals by another City to extend its SOI to the freeway. LAFCO needs to be consistent.**

City Proposed Modifications to SOI

The City proposes to "swap" out land which will increase the acreage from 5,011 to 5,041 as shown on "EXHIBIT E". The proposal removes 571 acres of land from the SOI at Bridenstein Rd & Edwards Rd and the inclusion of 601 acres of land with a net increase of 30 acres.

VI: Public Notice:

Public notice for the proposed project hearing before the Imperial County Local Agency Formation Commission has been given, according to Section § 56427. Notice was issued in the form of a publication in the Imperial Valley Press at least twenty-one (21) days prior to said hearing, and posted on our webpage.

VII: Report:

In accordance with Section § 56665, the Executive Officer has prepared a report, and presented said report to your Commission and to any public member requesting such report. In addition, a copy of said report has been issued to the City of Holtville and any party requesting a copy.

VIII: Conflict of Interest Statement:

To date (at the writing of this report, July 3, 2017) no Commissioner has indicated that there is any conflict of interest with regard to this project, nor has any Commissioner reported any communications with the Applicant, Proponent or Opponent. The Commissioners will be asked to declare that during and prior to the public hearing.

The Executive Officer does not have any type of known conflict of interest or financial gain as a result of this project and owns no property in the vicinity.

EXECUTIVE OFFICERS RECOMMENDATION

RECOMMENDATION:

It is the recommendation of the Executive Officer that LAFCO conduct a public hearing and consider all information presented in both written and oral form. The Executive Officer then recommends, assuming no significant public input warrants to the contrary, that LAFCO take the following action;

OPTION #1: Approve the proposed Service Area Plan/MSR/SOI update as presented and recommended by the Executive Officer.

I: Certify that the Service Area Plan is exempt from CEQA.

II: Make the finding that this Service Area Plan is in substantial compliance with the provisions of the Cortese-Knox-Hertzberg Reorganization Act of 2000 and the Imperial LAFCO Policy and Procedures.

III: Make the findings pursuant to Government Code Section § 56425 that:

- a. The Service Area Plan has been reviewed by the Executive Officer and the Commission and the City has the capacity and ability to provide services within the area.
- b. The Service Area Plan will provide for logical and orderly development for the City.
- c. The Sphere of Influence as revised (EXHIBIT D) remains adequate for any projected growth of the City.

IV: The Commission finds that, the present land uses within the boundaries of the Service Area Plan are residential, commercial, industrial public facilities, and open space. The land uses intended for these areas were planned by the City of Holtville to be within the framework of the City of Holtville's General Plan guidelines estimating build out both within the City limits and the Sphere of Influence.

The Commission finds that, the present services available to the areas within the proposed boundaries are limited to those identified in the attached. Any expansion of services by the City, other than those listed herein would require LAFCO approval.

The Commission finds that the Service Area Plan as provided by the City has the ability to provide services within its current and proposed boundary limits and the document provided indicates that the City has a plan whereby it can provide these services. The City must however make every effort to implement the recommended actions and any other actions to continue viability.

The Commission finds that, there are no known social or economic communities of interest in the areas.

V: Since there have been no protests received, the Commission adopts and approves the revised Service Area Plan (SAP/MSR), and adopts the Sphere of Influence Boundary as recommended and attached as (EXHIBIT D).

OPTION #2: Approve the proposed Service Area Plan/MSR/SOI update as requested by the City with modifications, following the hearing by the Commission.

OPTION #3: Continue the hearing for not to exceed 70 days.

OPTION #4: Deny the Service Area Plan/MSR/SOI update and provide direction to the City for corrections.

LAFCO Policy:

The proposed Sphere of Influence and Service Area Plan appears to be consistent with the Cortese-Knox-Hertzberg Reorganization Act of 2000, the Imperial LAFCO Policies and Procedures and the County of Imperial General Plan (Chapter IV. B. of LAFCO's Policies, Standards and Procedures). Furthermore, the City has (according to the Service Area Plan) the ability to supply the necessary public service, and has assured LAFCO that it has the capacity to service the areas.

NOTE: All "cc" submittals are the Executive Officer's Report only. Attachments are generally too voluminous and are only supplied on CD. Information about the project may also be found on the LAFCO web page at www.iclafco.com.

CC: City of Holtville

ATTACHMENTS:

EXHIBIT A: Application
EXHIBIT B: Current SOI & Boundary Map
EXHIBIT C: Service Area Plan
EXHIBIT D: Recommended Sphere of Influence Map
EXHIBIT E: City Proposed Sphere of Influence Map