

PLACER LAFCO
MUNICIPAL SERVICE REVIEW FOR TAHOE AND MARTIS VALLEY AREA
MUNICIPAL SERVICE REVIEW
Request for Proposal

1.00. Municipal Service Review (MSR) Background, Purpose and Design.

1.01. Background: Placer LAFCO is the organization charged with implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) within Placer County. The Act is mainly concerned with the organization and structure of local agencies. LAFCO implements the Act by approving, modifying or disapproving proposals such as agency formations and annexations and by setting the ultimate planning boundaries (Spheres of Influence) for specified agencies. The MSR will be prepared for the following seventeen agencies:

Alpine Springs County Water District
Donner Summit Public Utility District*
McKinney Water District*
Northstar CSD
North Tahoe Fire Protection District
Sierra Lakes County Water District
Squaw Valley Public Service District
Tahoe City Cemetery District
Tahoe City Public Utility District
Tahoe Forest Hospital District*
Tahoe Truckee Sanitation Agency*
Talmont Resort Improvement District
Truckee Fire Protection District**
Truckee Donner Public Utility District **
Truckee Donner Recreation and Parks District**
Truckee Sanitary District**
Truckee Tahoe Airport District*

* Multicounty district in Which Placer County is the Principal County

** Multicounty district in which Nevada County is the Principal County

A previous Municipal Service Review was prepared for these districts and approved by the Placer Local Agency formation Commission in 2004.

1.02. Purpose of the MSR: MSRs are intended to (1) provide data bases needed to promote orderly growth and development with consideration of service issues, costs and practices that affect housing, water supply, open space and important agricultural land; (2) provide information to support LAFCO actions such as SOI determinations; (3) identify service issues and providers and update service provider records; (4) initiate dialogues among service providers with the objective of avoiding unnecessary costs, excess construction and waste, and improving

services while planning for necessary infrastructure; and (5) identify appropriate government structure changes which could benefit service users.

1.03. Consultant's role: The selected consultant, working closely with LAFCO staff and will produce an MSR that fulfills these purposes. The selected consultant will compile information and conduct research using existing information resources to the extent appropriate. Research results will be included in the study as well as an analysis of current service levels, and existing and expected service demand, levels and structures.

The consultant will develop and analyze actions that LAFCO could take, such as changes to SOI boundaries, government structure, exercised powers, or other options that could improve service planning, delivery, cost, structure or quality. The consultant will recommend future feasible LAFCO and other agency actions that could be taken to attain these objectives and promote orderly growth and development. Finally, the study will include conclusions to support draft MSR determinations for the six evaluation categories required in the CKH Act.

1.04 Study Area The study area is the area encompassed by the seventeen districts (maps attached) Alpine Springs County Water District, Donner Summit Public Utility District, McKinney Water District, Northstar CSD, North Tahoe Fire Protection District, Sierra Lakes County Water District, Squaw Valley Public Service District, Tahoe City Cemetery District, Tahoe City Public Utility District, Tahoe Forest Hospital District, Tahoe Truckee Sanitation Agency, Talmont Resort Improvement District, Truckee Fire Protection District, Truckee Donner Public Utility District, Truckee Donner Recreation and Parks District, Truckee Sanitary District and the Truckee Tahoe Airport. A previous Municipal Service Review was prepared and approved by the Commission in 2004 and is on file and available for reference. Several of the districts involved in this bid are multicounty jurisdictional agencies, with territory extending to Nevada County or El Dorado County. Placer LAFCO is not the Principal County for all agencies.

2.00. Request For Proposal and Timeline.

2.01. Solicitation. Placer LAFCO is soliciting proposals from qualified consultants for the provisions of services in accordance with the terms, conditions and requirements contained in this Request for Proposal and scope of work. The successful proposer, hereafter referred to as consultant, shall provide a Municipal Service Review as described herein and pursuant to the contract provisions contained in Attachment 5.

2.02. Timeline. The consultant shall be required to comply with the following timeline meeting all milestones (***dates need to be added when known***):

- RFP Issue Date **December 27, 2012**
- Proposal is due **January 17, 2013**
- Short list candidates notified.

- Short List Interviews if any.
- Contract finalized.
- LAFCO contract approval.
- Submit list of additions to service and service provider lists.
- Submit list of potential feasible government options.
- Draft MSR and Baseline Report Due.
- Final Baseline and MSR reports due.
- Presentation to LAFCO.

3.00. Specific Tasks, Products and Deliverables. All tasks in this section must be completed consistent with information and requirements included in all other sections of this RFP including implementation consistent with LAFCO's adopted policies and procedures. LAFCO is responsible for mailings, meeting arrangements, report reproduction and distribution. All required documents must be prepared using Microsoft Word and Excel. They must be submitted to Placer LAFCO no later than the date indicated in this document unless an extension is granted by the Executive Officer. Based on bid proposals received, LAFCO may request modification of the schedule and tasks to accommodate budgeting or time restrictions.

Task 3.01. Post-award meeting. The consultant shall attend a post award meeting with Placer LAFCO staff at the LAFCO office in Auburn. The meeting will be at a time mutually agreeable to all parties; however, it should take place as soon as feasible after the contract award. The post-award meeting is a billable expense; however, contract negotiations are not billable.

Task 3.02. Review service/service provider list. Review service and service provider list, and determine whether it is complete. Submit a revised list that (1) indicates any other local, state, federal, private or other entities providing the same or similar services to the study area and any other services being provided by agencies with SOIs but not on the service list, and (2) any other necessary deletions or changes. The Executive Officer will review recommendations, and approve a final list.

Task 3.03. Information Collection and Issues Research. LAFCO will contact providers included in the MSR to discuss the MSR process, gather information and hear issues. LAFCO will give providers a letter of introduction, a study area map, and information questionnaire. LAFCO will initially review completed information questionnaires and work with providers to collect supplemental information as needed.

LAFCO will provide the consultant with an information package including applicable General, Community and Master Service Plans and application materials. The consultant will coordinate with LAFCO throughout the process.

Task 3.04. Develop list of potential government structure options. After reviewing baseline information, identifying issues and conducting initial research, prepare and submit a list of potential feasible government structure options (including changes to SOI boundaries) that should be evaluated. Options should include those that can

be implemented by affected agencies or service providers. Consultant shall then finalize the list.

Task 3.05. Prepare administrative draft and Draft Master Service Review and Baseline Report. The consultant shall prepare the administrative draft MSR (Volume 1) and Baseline Report (Volume 2) substantially conforming to the outline provided, and content indicated, in Attachment 2. All tables must either be completed as formatted or provided in another tabular format. The consultant may suggest format changes that improve the drafts. The Executive Officer must approve any format changes prior to use. The consultant shall incorporate changes recommended by the Executive Officer into the report and submit a camera ready, reproducible copy of a draft MSR and Baseline Report to LAFCO.

The MSR report must be readable and suitable for use by elected officials, service providers and the public. The consultant shall present issues in the most succinct manner possible while including necessary content and ensuring readability including:

- Brief background section (CKH Overview, purpose and study methodology as presented in the scope of work).
- Brief description of MSR study area and affected providers including a Table of Providers.
- Summary of important issues, conclusions, and analyses by evaluation category.
- Service level/industry standards comparison tables.
- Draft MSR recommendations.
- Draft MSR determinations.

Task 3.07. Present report and recommendations at a Commission hearing. LAFCO will provide public notice of availability of the draft MSR and Baseline Report and provide a 21-day public review period. The consultant shall present the report, including a brief summary, conclusions and recommendations, at a public meeting and be prepared to answer questions if needed. A Power Point or similar visual presentation is preferred.

Task 3.08. Finalize Baseline and MSR reports. The consultant shall review information and input received during the public review period, and identifies outstanding issues. The consultant shall meet with the Executive Officer to discuss identified issues, changes, and anticipated research and analysis needs prior to undertaking required work. The Consultant shall incorporate changes approved by the Executive Officer and Ad Hoc Committee into the report. The LAFCO Executive Officer shall review proposed changes prior to report finalization. The consultant shall submit a camera ready, reproducible copy of the Final Baseline and MSR Reports to LAFCO.

Task 3.09. Organize Supporting Documents. Consultant shall organize and label MSR related questionnaires, response letters, other documents and information, make a list of items in the organized package, and provide to LAFCO.

4.00. Proposal Format. A qualifying proposal must address the following points in the order listed.

4.01. Cover Letter. Provide a cover letter, signed by a representative of the firm who has the authority to commit to a contract. The letter shall indicate the intention of the proposer to adhere to the RFP's provisions and the commitment to enter into a binding contract. Additionally, proposers must include a statement that the proposal shall be valid for a period of 120 days following the date of proposal receipt.

4.02. Required signatures. The cover letter shall be signed:

- *For a partnership;* in the firm name by a partner or the Attorney-in-Fact. If signed by the Attorney-in-Fact, there shall be attached to the proposal a Power-of-Attorney evidencing authority to sign proposals, dated the same date as the proposal, and executed by all partners of the firm.
- *For a corporation;* with the correct corporate name thereon and the actual signature of the authorized officer of the corporation written (not typed) below the corporate name. The title of the office held by the person signing for the corporation shall appear below the signature.
- *For an individual doing business under a firm name;* shall be signed in the name of the individual doing business under the proper firm name and style.

4.03. Description of firm and statement of firm's and subcontractors' qualifications. Descriptions and statements shall be included clearly indicating why the firm is qualified to perform the subject services, and describing previous successful experience completing similar projects. Information must be provided for the main contractor and any subcontractors. A description of the proposed project team must be included. This includes descriptions of those portions, if any, of the total project for which subcontracted consulting firms shall be used and a detailed description of those subcontractors. A brief summary of each team member's qualifications and experience shall be provided including length of service and resume.

4.04. References. A list of references for similar projects, including contact name and telephone number, shall be provided. The results of reference checks may affect the award.

4.05. Work plan. A proposed method of performance, which includes methods of completing required tasks and a timeline for completion, including a schedule of deliverables required in Section 3.00, shall be provided.

4.06. Cost Proposal. A cost proposal for completion of the entire project shall be provided. This includes contractor charges, travel expenses, lodging, meals, and clerical or other employee expenses, meeting attendance, telephone, duplication, fax, postage or other expenses. The cost proposal shall indicate the amount of cost applied to each deliverable.

5.00. Proposal Submittal. Submittals shall be made as follows:

- One original and 3 (three) copies of the proposal shall be received no later than 4:00 P.M. on January 17, 2013 at Placer LAFCO, 145 Fulweiler Ave, Suite 110, Auburn, Ca. 95603.
- The proposal shall be submitted in a sealed envelope or container, which is clearly marked with the RFP number and title.
- Late proposals shall not be accepted.
- All proposals, whether selected or rejected, shall become the property of Placer LAFCO. Proposal preparation costs will be born by the proposer.
- Placer LAFCO and Placer County shall not be responsible for proposals delivered to incorrect locations or persons.

6.00. Evaluation and selection criteria.

6.01. Responsiveness review. The LAFCO Executive Officer will review the proposals and make responsiveness determinations relative to timeliness, signatures or other submittal related issues. A non-responsive submittal must be eliminated from further consideration and cannot be recommended for contract award.

6.02. Proposal evaluation. The Executive Officer and evaluation committee will review proposals using criteria given below. Firms submitting the highest rated proposals may be invited for interviews to further describe proposals. However, Placer LAFCO reserves the right to award contracts without interviews or further discussions with proposer, based on proposals' contents. Therefore, proposer should initially present the most favorable proposal. The proposed project manager represents the firm at interviews. Proposals shall be evaluated using the following criteria:

Criteria	Weight
Qualifying background and experience of firm and expertise of personnel including subcontractors.	25
Firm's previous successful experience working with similar projects, including results of reference checks.	25
Proposed method of performance and work plan, including required deliverables.	25
Cost of Services.	25
<hr/>	
Total Points	100

6.03. Preferences. A five (5) % preference will be awarded to firms located in Placer County, State certified small businesses, or businesses certified as economically disadvantaged by CALTRANS, a County or City, or other jurisdiction. The credit will be added to proposer's aggregate score during the evaluation

process. Proposers requesting preference points must submit proof of eligibility with their proposal. For firms requesting preference points for Placer County residence, affidavits on file with Placer County may be used. A maximum of five (5) preference points may be awarded.

6.04. Contract Award. Placer LAFCO reserves the right to award the contract to the firm that presents a proposal, which, in the sole judgment of the evaluation committee, including the Executive Officer, best accomplishes the desired results.

7.00. Additional reservations. Placer LAFCO reserves the right to:

- Reject any or all proposals, to waive minor irregularities or to negotiate minor deviations with the successful firm.
- Cancel contract if the designated project team is not used including departure, reassignment or substitution of any member of the designated project team.

8.00. Protests and Appeals. Any actual or prospective proposer believing that it is aggrieved in connection with proposal solicitation or contract award may protest to LAFCO's Executive Officer. The protest must be submitted in writing to LAFCO's Executive Officer within seven (7) days after such proposer knows or should have known of the facts giving rise thereto.

9.00. Conflict of Interest. Proposers warrant and covenant that no official, or employee of Placer LAFCO or County, nor any business entity in which an official of Placer LAFCO or County has an interest, has been retained to solicit or aid in the procuring of the resulting contract, or will be employed in performance of the contract without immediate divulgence of such fact to Placer LAFCO or County.

10.00 Inquiries. Direct all inquiries regarding:

- RFP process and Scope of Work to:

Kris Berry, Executive Officer, Placer LAFCO, 145 Fulweiler Avenue
Auburn, California 95603 (530) 889-4258.

**Attachment 2 –
Example Service Level Standards Table#**

Growth and Population Projections for the Affected Area	
	The MSR includes identification of historic and expected land use and service demand trends, and evaluation of relationships between a provider’s current and potential boundaries, populated areas, and areas experiencing growth or population changes during the next 5, 10, 20 years. LAFCO uses this data to determine whether SOI boundaries coincide with expected growth boundaries, if future SOI changes are necessary and feasible, and if providers are aware of, and planning for, anticipated changes in service demand. Population data is also used when analyzing other service review issues.
Item	
1	What is the likelihood of significant growth in the area, and adjacent incorporated and unincorporated areas in the next 5, 10, 20 years? What is the difference between current and projected numbers of people, households, parcels, or other service units needing service?
2	Are land use plans and growth patterns increasing, decreasing or not affecting service demand? What are historic and expected land use absorption trends? What effects, if any, are service policies and practices having on land use?
3	What is the relationship between boundaries and service areas and projected amounts and patterns of growth? Are unserved populations in areas adjacent to service provider boundaries expected to need service? Is there, or will there continue to be, a need for organized community services?
4	Do service provider (city, special district and county) and SOI boundaries relate to areas expected to grow or urbanize in the next 10-20 years?
5	Are service plans consistent with city, county and regional land use plans?
6	Do service plans and programs (1) integrate with regional growth projections and patterns to promote planned, orderly, and efficient patterns of urban development, (2) avoid premature conversion of existing open space lands to uses other than open space, (3) direct growth away from prime agricultural and important open space lands toward infill areas or nonprime agricultural lands, and (4) encourage development of vacant land adjacent to existing urban areas and within existing SOIs?
7	Are there any other identified issues or factors to be considered?
8	Is sufficient information available to support required MSR determinations?

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and or Deficiencies	
	The term, "infrastructure" refers to public facilities such as sewage-disposal systems, utility lines and roads. Any area needing or planned for service must have the infrastructure necessary to support the provision of those services. LAFCO evaluates the status of existing and planned infrastructure and its relationship to the quality and levels of service that can or need to be provided.
Item	
1	Has any party recommended government structure options that can assist with addressing infrastructure needs or deficiencies?
2	Are service or capital improvement plans available, up-to-date and consistent with: (1) adopted local and regional land use plans; (2) capital improvement plans and SOIs of affected agencies; (3) approved permits; and (4) other regional plans?
3	Is infrastructure located, or planned to be located, in a pattern supporting affordable housing?
4	Is excess capacity available to serve other service providers' customers, and eliminate the need for duplicate infrastructure construction by other agencies?
5	Does service provider have deteriorating or substandard infrastructure? If so, are there plans and financial means to improve or replace deteriorating or substandard infrastructure? Is level of service or condition of infrastructure defensible in light of revenue and operating constraints?
6	Will additional infrastructure be necessary to accommodate future development or increases in service demand? If so, are plans in place to ensure that infrastructure is available when necessary?
7	Is provider able to provide needed services (i.e. sufficient revenues, water, materials, and natural resources)? Is service provider capable of providing adequate services when services are needed?
8	Is service provider able to serve those paying rates or properties being assessed? Does service provider reserve capacity for unserved property within service provider boundaries? If no, what is the current estimate of potential unserved property within current boundaries?
9	Are existing and planned facilities located within district boundaries? Does service provider own or reserve property for its facilities? Share facilities?
10	Do facilities or service comply with environmental and safety standards?
11	Has service provider obtained necessary operating permits or otherwise complied with required administrative and legislated processes, such as CEQA mitigation monitoring or State Water Resources Board allocation permits? If permits are not current or in process, is approval expected?
12	Are there any other identified issues or factors to be considered?
13	Is sufficient information available to support required MSR determination?

Financing Ability of Agencies to Provide Services

LAFCO is required to identify practices and strategies that could improve service conditions or reduce cost per unit of service. To that end, a service review contains discussions of current and planned financing practices including disclosure of plans and financing mechanisms for service upgrades and capacity improvements, descriptions of persons or properties bearing financing costs, and past financing successes or losses.

The State expects LAFCO to use its powers to positively affect the cost and adequacy of services. A service review discloses factors affecting cost including those that unnecessarily inflate them. Factors include duplication of service efforts, higher than necessary administration/ operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment, buildings or facilities, overlapping or inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale. Service providers' budgets and organizational charts are reviewed and compared to identify cost savings that could accrue under government structure options.

Item	
1	Are service providers implementing financing/funding acquisition best practices? Identify practices that may be undermining financing opportunities.
2	Are there opportunities to enhance revenue streams, or lower financing costs, through joint agency grant applications, use of untapped resources, or use of excess reserves to pay down debts?
3	Is one service provider paying higher financing rates than others in the study area? Why?
4	Is provider able to obtain needed financing? Does provider have favorable bond ratings? If not, why?
5	Are assessment districts functioning? Do financing mechanism conditions permit or disallow assumption by successor districts?
6	Are providers implementing cost avoidance best practices? Identify practices that may be increasing costs.
7	Does service provider rely on other agencies to administer grants, financing mechanisms, process payroll or other similar functions? Are loaded costs of dependence on others increasing costs?
8	Are some providers able to provide administration or other services at a lower cost? Do any providers have the capacity to assist with administrative services for other providers? Are joint agency practices, such as shared insurance, in use? Are providers able to take advantage of economies of scale?
9	Are existing or planned services or facilities duplicated or overlapping? Can duplications be avoided?
10	Are service practices or facilities encouraging or discouraging growth on land: (1) available for infill; (2) where excess capacity exists; (3) planned for growth; (4) easiest to serve; and (5) with the fewest topographic and geographic constraints, to the benefit or detriment of service costs and in a manner that supports affordable housing objectives?
11	Are concerns about growth inducement expected to cause near-term infrastructure deficiencies and construction at a higher cost than extra-capacity construction may incur?

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12	Are there policies to ensure that service to areas proposed for annexation/new development does not adversely affect the cost or adequacy of service to existing customers? If not, why?
13	Will need to provide additional capacity result in a significant negative fiscal, service level or other impacts (cost and adequacy of service) in existing or proposed service areas or on areas served by other special districts or cities or the county? If so, what strategies are being used to encourage infill, conservation or other practices that decrease demand?
14	Does service level meet or exceed customer needs & preferences? If it exceeds, is excess warranted?
15	Does an evaluation of budgets suggest opportunities for savings (or improvements) in overhead, employee salary or benefits, elected official compensation or benefits, equipment purchases, planning, revenue or other costs, especially if circumstances could be remedied by LAFCO actions?
16	What are per unit service costs? Are service unit costs similar among providers considering specific conditions? If not, why?
17	Is contractor assistance solicited through bids? Are agencies paying the same charges for similar contracts? Are contractors paid comparable rates for the same quality service? If in-house and contracted staff work side-by-side or share duties, are inefficiencies (communication, task coordination) increasing costs?
18	Are service providers implementing rate, rate reduction or stabilization best practices? Identify practices that may be adversely affecting rates.
19	Are providers taking advantage of revenue enhancing opportunities that could lessen or stabilize rates?
20	Compare rates. Are rate differences directly related to improved levels of service, or caused by inefficient management? Are rates reasonable in relation to similar service providers with similar service conditions? Do rates or fees exceed actual service cost?
21	Are ratepayers or assessed properties receiving the services for which they are paying?
22	Are existing customers required to fund infrastructure needed to support new development?

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23	Are standby rates (charges assessed to under or undeveloped land used for rural, agricultural or open space uses) charged to the detriment of open space and affordable housing plans? Are standby rates encouraging urban sprawl or the premature conversion of important agricultural or open space plans?
24	Do rate and service policies promote or undermine the provision of decent and affordable housing?
25	If a prudent emergency reserve is available, are annual savings, if any, being used to reduce rates, improve service levels or fund needed infrastructure? Why or why not?
26	Are there any other identified issues or factors to be considered?
27	Is sufficient information available to support required MSR determinations?

Status of, and Opportunities for, Shared Facilities

LAFCO identifies opportunities for service providers to share facilities with the intent of lowering current or expected improvements' costs. Government structure options that make the most efficient use of existing infrastructure and could lower construction costs are developed and evaluated.

LAFCO is required to adopt written determinations with respect to government structure options that could improve service conditions. This includes an evaluation of the advantages and disadvantages of consolidation, other LAFCO actions (i.e. annexation, detachment, formation, dissolution, incorporation) and SOI boundary changes. The MSR contains a brief history of the evolution of local agencies in the study area. Past and pending reorganization proposals are described as well as those currently being discussed by the public, LAFCO and providers. When developing and evaluating government structure options, LAFCO considers analyses prepared for other evaluation categories and the relationship between service levels and costs and local conditions and circumstances. Potential government structure options are developed with consideration of financial feasibility, service delivery quality and cost, regulatory or government frameworks, operational practicality, public preference, and significance of service specific issues that may be resolved. An individual "yes" or "no" answer does not mean that a result is beneficial or detrimental until considered and integrated with all other factors.

Item	
1	Have existing or future shared facility opportunities been suggested or identified? What is the basis for the recommendation?
2	Does service provider currently share facilities, equipment or staff with other service providers?
3	Are there opportunities for conjunctive use projects such as schools/parks, or flood detention/parks?
4	Do existing or planned facilities duplicate existing or planned facilities of another provider? Is excess capacity available to serve other provider customers and eliminate duplicate construction projects?
5	Are there any other identified issues or factors to be considered?
6	Is sufficient information available to support required MSR determinations?
7	What government options, if any, have been recommended by parties or included in anticipated or pending applications? What justifications are provided?
8	Have agencies considered consolidations or reorganizations in the past ten years? Why?
9	Are there government structure options that could: <ul style="list-style-type: none"> (1) Alter service delivery or provide more logical service boundaries to the benefit of customers, (2) Improve public participation, local accountability and governance, (3) Facilitate regional planning goals and objectives, (4) Improve quality or levels of service, (5) Provide definite and certain boundaries conforming to lines of assessment or ownership, eliminate islands or corridors of unincorporated land or other difficult or illogical service areas,

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- (6) Eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase infrastructure cost, increase rates or undermine good planning,
- (7) Resolve boundary disputes,
- (8) Streamline, steady or clarify the government process thereby reducing costs or increasing customer satisfaction,
- (9) Produce economies of scale and improve buying power thereby reducing service or housing costs and furthering provision of housing to all residents including those with low income,
- (10) Cause appropriate facilities to be shared, and avoid the construction of extra or necessary infrastructure (i.e. duplicate transmission lines, pumps, fire stations),
- (11) Facilitate construction or financing of new facilities, eliminate unnecessary construction or enable the sale of surplus property,
- (12) Make water rights or supplies available (surface, reclaimed or groundwater) to a larger customer base especially if there is no added cost,
- (13) Make excess reserves available for service improvements or rate reductions,
- (14) Decrease capital improvement costs, improve construction schedules, or otherwise benefit capital improvement plans and programs,
- (15) Enable early debt repayment and related savings,
- (16) Eliminate rate structures or practices that encourage loss of affordable rural or other housing, premature or unnecessary conversion of important agricultural or open space resources or harm open space resources,
- (17) Correct substantial unsupported differences in rates,
- (18) Facilitate funding or provide financial stability in areas currently unable to obtain financing,
- (19) Improve the ability to provide and explain budget and financial data, and improve

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- the clarity or effectiveness of budget and other financial practices,
- (20) Provide environmental benefits through broader application of environmental enhancement and resource conservation policies and practices,
- (21) Increase service reliability due to the ability to share resources and capacity.

10	Are illogical boundaries affecting rates? If so, can changes in government structure lessen rates, or increase the levels of service funded by those rates?
11	Can SOI boundaries be downsized, or other boundary modifications approved to remove important open space and agricultural lands not needed for development?
12	Can excess capacity be made available to other service users to eliminate duplicate infrastructure construction by multiple agencies and reduce service costs?
13	Will a change in government structure benefit or detract from the implementation of regional transportation, water quality, water, air quality, fair share housing allocation, airport land use, open space, agricultural, or other environmental policies or programs?
14	Are there potential savings or rate reductions from: <ul style="list-style-type: none"> (1) Elimination of elected boards, board stipends, benefits and overhead expenses, (2) Overhead or staff reductions, decreased capital outlays, reallocation of excess reserves or savings, or elimination of loaded administrative charges for grant administration, accounting or other contracted services, (3) Direct distribution of costs or debts from shared facilities across a larger user population, (4) Elimination of unneeded services, (5) Use of revenues from surplus property sales to decrease debt, improve service delivery, or reduce or stabilize rates or fees.
15	Can services be streamlined by reorganizing service providers that no longer provide services for which they were formed?
16	Are emergency or undesignated reserves (fund equity or balance) excessive when

Status of, and Opportunities for, Shared Facilities

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LAFCO is required to adopt written determinations with respect to government structure options that could improve service conditions. This includes an evaluation of the advantages and disadvantages of consolidation, other LAFCO actions (i.e. annexation, detachment, formation, dissolution, incorporation) and SOI boundary changes. The MSR contains a brief history of the evolution of local agencies in the study area. Past and pending reorganization proposals are described as well as those currently being discussed by the public, LAFCO and providers. When developing and evaluating government structure options, LAFCO considers analyses prepared for other evaluation categories and the relationship between service levels and costs and local conditions and circumstances. Potential government structure options are developed with consideration of financial feasibility, service delivery quality and cost, regulatory or government frameworks, operational practicality, public preference, and significance of service specific issues that may be resolved. An individual "yes" or "no" answer does not mean that a result is beneficial or detrimental until considered and integrated with all other factors.

	compared to gross annual revenue?
17	Are there potential boundary changes or modifications that could promote orderly, efficient patterns of urban development, and avoid premature inducement, facilitation, or conversion of existing open space lands to uses other than open space by directing growth away from prime agricultural and important open space lands toward infill areas, nonprime agricultural land, or vacant land adjacent to existing urban areas and within existing SOIs?
18	Can boundaries be adjusted so that the minimum amount of land needed to accommodate growth in the next 5-10 years is included within agency SOIs?
19	Can extensions of urban services to important agriculture and open space areas not planned for growth or within the boundaries of the city or special district be avoided?
20	Can functional consolidations be recognized through changes in government structure?
21	Are investment policies undermining service quality or financial strength?
22	Can bond rates, ability to borrow or obtain grants and aid, and budget practices be improved?
23	What opportunities are there to increase service levels and quality? How will levels of service compare before and after the change in government structure?
24	Do service users prefer higher rates? Could the benefits of close and personalized service outweigh less efficient service provision and increased service costs?
	Potential consequences that need to be researched and avoided where adverse.
19	Can service be integrated (number, cost and feasibility of required interconnections, treatment facilities or treatment types, location of offices, road standards, maintenance standards) without excessive cost?
20	Can changes in government structure be effected without layoffs or with respect to collective or appointed officials (i.e. merging staff, staff reduction by attrition, phasing out of elected or appointed positions and management staff)?

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21	Does system integration caused by proposed government structures improve delivery quality or increase system standards (i.e. maintenance, water quality, wetland restoration, odor, resource consumption)? To what degree?
22	Are there prohibitions in the affected Principal Acts, pending litigation, court judgments, legal issues, restricted assets, financial or other constraints that limit or prohibit government structure options?
23	Can debts and obligations be integrated? Can appropriate successor agencies be identified? Will successor districts continue to levy voter-approved charges or taxes?
24	Are system upgrades required if changes in government structures occur?
25	What are the short and long-term costs above operating costs incurred as a result of the government structure change? Do long-term savings exceed transition costs?
26	Can permits be integrated? Could loss of grandfathered permits increase transition costs?
27	What terms and conditions are needed to ensure that financial or other issues are addressed?
28	Are there any other identified issues or factors to be considered?
29	Is sufficient information available to support required MSR determination?

Accountability for community service needs, including governmental structure and operational efficiencies

The State expects each LAFCO to use its powers to create or facilitate the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. To that end, LAFCO reviews the management and operations' structures of service providers to identify challenges and opportunities that may be addressed using the CKH Act. An ideally managed service provider (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards considering local conditions, circumstances and resources, and (5) maintains adequate contingency reserves.

LAFCO is required to disclose the governance practices of service providers included in a service review. LAFCO uses this information when evaluating potential government structure changes, which could improve accountability or governing practices. Ideal local government is marked by accessible staff, decision-making bodies and processes, public participation in elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans, regular evaluations of plans, programs or operations and disclosure of results to the public.

Item	
1	Are service providers implementing management efficiency best practices? Identify practices that may be adversely affecting efficiency.
2	Are entities providing the services they are enabled to provide or charging for? Budgeting and spending on programs they are required to provide?
3	Do providers have mission statements and published customer service goals and objectives? Do providers implement continuous improvement strategies for service performance, budgeting, managing costs, training and utilizing personnel, and customer service and involvement?
4	Do providers have paid staff or reliable staff resources? Do providers use employee performance measures and have personnel policies that further fair employment practices? Are volunteers used? How are they integrated into operations and what is the effect on service levels or quality?
5	Are master service plans available and up-to-date (not more than five years old)? Do providers have a plan to accommodate existing and planned growth?
6	Do providers have the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service? Are providers able to accommodate existing and planned growth?
7	Are activities adequately publicized, and ideas solicited, from customers?
8	Do providers have technology, equipment or materials to conduct an efficient business (i.e. computers, office)? Are service providers able to maintain data necessary to comply with state laws and provide adequate services?

9	Do providers take advantage of joint powers agreements or authorities, or regional planning opportunities that could benefit service provision or reduce costs (i.e. group insurance policies)?
10	Are capital improvement projects reported to the county and included in the public facilities' plans for appropriate cities and counties (§65401, §651039[c])? Are capital improvement projects reported to regional agencies and included in regional plans?
11	Do providers use generally accepted accounting principles? Do annual budget reports include financial reporting methods consistent with state law? Are annual budgets provided to the state?
12	Do providers have written policies regarding accumulation and use of reserves and investment practices, and maintain adequate and necessary, but not excess, reserves?
13	Do providers have a record of environmental, safety and permit compliance? Do providers meet or exceed environmental and industry service standards considering local conditions or circumstances?
14	Are any providers being litigated or subject to grand jury investigations for the service being reviewed? By whom? For what reason?
15	Are specific service providers implementing accountability and governance best practices? Identify practices that may be adversely affecting accountability and governance.
16	Do providers comply with disclosure laws and the Brown Act? Are meetings easily accessible to the public (i.e. publicized, evening meetings, evening or weekend public planning sessions, at centralized locations)? Is the media informed of meetings (i.e. receive agenda, notices)?
17	Is public participation encouraged (i.e. open meetings, accessible office open to public, a phone and/or message center, customer complaint and suggestion opportunities)? Are there public outreach efforts (i.e. newsletters, bill inserts, meetings aired on cable TV, a website)?
18	Do providers hire employees and maintain staff that is accessible to the public? Are board members and other decision makers appointed, elected, and/or accessible to the public?
19	Are service users encouraged to participate in elections (i.e. elections publicized, day & evening voting) as evidenced by voter turnout? Are elections contested? Is turnout consistent with other local elections (i.e. County Board)?
20	Is an adopted budget easily accessible and readily understood by the public? Are budgets adopted in open meetings, and filed with the county auditor, and state controller? Are regular audits undertaken and the results considered in public meetings? Are rate structures understandable to the public?
21	Are the outcomes of budgeted programs and performance measures available for public review? Are program progress reports available? Are entities providing the service(s) for which they were formed?
22	Are there any other identified issues or factors to be considered?
23	Is sufficient information available to support required MSR determinations?