

Petaluma
HEALTH CARE
DISTRICT

October 9, 2018

Association of California Healthcare Districts

This letter will acknowledge that to the best of our knowledge, PHCD has never had an Municipal Services Review. We have a cover letter on file from a 2012 submission of an Agency Profile (attached), but no record of LAFCo's response.

We trust this will suffice as documentation for our healthcare district certification.

Sincerely,



Ramona Faith
CEO



Elece Hempel
Board Chair

April 4, 2012

Sonoma Local Agency Formation
Commission
575 Administration Drive
Room 104A
Santa Rosa, CA 95403

To whom it may concern:

Per your request, enclosed please find the revisions to the Petaluma Health Care District's Agency Profile.

If further clarification is needed, please contact me at 707-285-2143 x130

Sincerely,

Suzanne Cochrane
Board Clerk
Petaluma Health Care District

From: Cynthia Olson <Cynthia.Olson@sonoma-county.org>
Sent: Tuesday, October 09, 2018 5:08 PM
To: Ruth Wells
Cc: Ramona Faith
Subject: RE: Have we had an MSR ?
Attachments: Policy SOI and MSRs Adopted 10-1-08.pdf

Ruth,

You are correct in that there is not a MSR for the Petaluma Health Care District. Sonoma LAFCO policy states:

In updating spheres of influence, the Commission's general policies are as follows:

- A. The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include cities and jurisdictions providing police, fire protection, waste disposal, and water services.*
- B. Sphere of influence changes initiated by any agency providing a municipal service shall require either an updated or new service review.*
- C. Spheres of Influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.*

We generally confirm the spheres of influence for every district every five years but will not initiate a MSR unless there has been a request for an amendment to the sphere of influence or a significant change to the district's boundaries (annexation or detachment).

I have attached a copy of the policy if you would like to forward it to the AHCD for reference.

Please let me know if I can be of additional service.

Cynthia Olson
Administrative Analyst
Sonoma Local Agency Formation Commission
707-565-2587

From: Ruth Wells [mailto:rwells@phcd.org]
Sent: Friday, October 5, 2018 4:19 PM
To: Cynthia Olson <Cynthia.Olson@sonoma-county.org>
Cc: Ramona Faith <rfaith@phcd.org>
Subject: Have we had an MSR ?

Hello, Cynthia. Petaluma Health Care District is completing the process of certification with the Association of California Healthcare Districts (AHCD), which asks that we "Provide a copy of the most recent Municipal Service Review and the District's response."

To our knowledge, PHCD has not had and MSR by LAFCo. I checked your web site and do not see us posted, though I do not know whether the site list is extensive. We have correspondence on file from 2012 that indicates we submitted an Agency Profile, but there is no record of LAFCO's response. Can you tell me whether there is an MSR for the District? And if so, how we might obtain a copy?

Thank you,

Ruth Wells
Executive Assistant/Board Clerk
Petaluma Health Care District

Policy: Spheres of Influence and Muncipal Service Reviews

Policy

In updating spheres of influence, the Commission's general policies are as follows:

- A. The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include cities and jurisdictions providing police, fire protection, waste disposal, and water services.
- B. Sphere of influence changes initiated by any agency providing a municipal service shall require either an updated or new service review.
- C. Spheres of Influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

This policy does not preclude the Commission from undertaking special studies or service reviews when requested by an agency or initiated by the Commission.

Legal Authority

The California Government Code states, in part:

- § 56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to subject to the jurisdiction of the commission 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 city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.
- (f) Upon determination of a sphere of influence, the commission shall adopt that sphere of influence.
- (g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

- § 56430. (a) 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 is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:
- (1) Growth and population projections;
 - (2) Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
 - (3) Present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
 - (4) Financial ability of agencies to provide services,
 - (5) Status of, and opportunities for, shared facilities;
 - (6) Accountability for community service needs, including governmental structure and operational efficiencies.; and
 - (7) Any other matter related to effective or efficient service delivery, as required by commission policy
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.
- (e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

State law precludes the Commission from approving proposals for a change of organization of territory outside an existing sphere of influence for an affected agency. If the affected territory is outside the agency's sphere of influence, a proposal to LAFCO must include a request for an amendment to the sphere of influence. The joint sphere and change of organization review is to maintain consistency in district boundaries and their spheres for the provision of services as it relates to proposed annexation sites.

Background and Discussion

LAFCO established spheres of influence to identify the probable physical boundaries and service areas of special districts. Spheres of influence are required to be updated every five (5) years and are amended as conditions warrant. The intent of this policy is to promote the efficient, effective, and equitable delivery of local and regional services for existing and future residents through spheres of influence and to encourage a collaborative process with agencies.

Almost 25 years ago, the courts explained that LAFCO could not approve a boundary decision if it failed to adopt the required spheres of influence (*Resource Defense Fund v. Local Agency Formation Commission* (1983)). If the Commission is to make decisions for annexations, reorganizations or an outside service area agreement, there must be legally compliant spheres of influence. In this respect, many features of Cortese-Knox-Hertzberg are similar to planning and zoning law (§65000). The legal requirements are that of "vertical consistency" rule, which requires local planning and subdivision decisions, be consistent with the county or city general plans. Counties and cities cannot approve entitlements if their general plans are incomplete or inadequate. Agencies have the implied duty to keep their general plans up to date.

An outdated sphere of influence is like an outdated general plan and does not provide the legal basis for making the statutorily required vertical consistency finding. The Commission supports maintaining up to date spheres while honoring the local agencies' planning efforts.

The Cortese-Knox-Hertzberg Act requires that starting "on or before January 1, 2008 and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence."

Generally, when establishing sphere of influence for districts, the Commission includes only those properties within the boundaries of the district. If an owner of a parcel outside district boundaries and sphere of influence wants that parcel to be in a district, he or she must submit an application to LAFCO for a sphere amendment, service review (if the amendment is significant) and annexation. Each request will be reviewed for its impacts and minor amendments will not require a new service review.

Adopted: October 1, 2008
Revised: June 3013