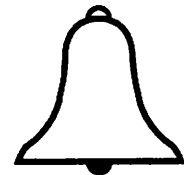


Santa Margarita Water District



MEETING HANDOUT

Meeting: Board Meeting

Date: September 7, 2016

Item: 7.2 Consideration and Action on Formation of Ad Hoc
Committee for the Local Agency Formation
Commission Municipal Service Review Process

Attached is a letter from LAFCO regarding the City of San Juan Capistrano water and wastewater focused MSR (MSR-16-03).



September 7, 2016

CHAIR
DEREK J. MCGREGOR
Representative of
General Public

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City of Tustin

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5th District

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Santa Margarita Water District

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Irvine Ranch Water District

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City of Mission Viejo

ALTERNATE
ANDREW DO
Supervisor
1st District

ALTERNATE
JAMES FISLER
Director
Mesa Water District

ALTERNATE
KATHRYN FRESHLEY
Representative of
General Public

CAROLYN EMERY
Executive Officer

Daniel Ferons, General Manager
Santa Margarita Water District
26111 Antonio Parkway
Rancho Santa Margarita, CA 92688

SUBJECT: City of San Juan Capistrano Water and Wastewater
Focused Municipal Service Review (MSR 16-03)


Dear Mr. Ferons:

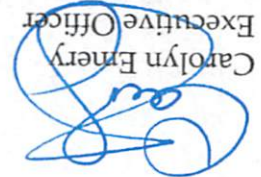
On August 22, 2016, the City of San Juan Capistrano formally filed an application with the Orange County Local Agency Formation Commission (LAFCO) to conduct a focused Municipal Service Review (MSR) to evaluate the potential transfer of the City's water and wastewater operations and facilities to a public agency. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs LAFCO's proceedings for preparation of a Municipal Service Review (MSR) under CKH Section 56430.

The focused MSR process will review potential municipal service providers' interest and ability to assume the City of San Juan Capistrano's water and wastewater operations and facilities. This process will involve the participation of a working group comprised of staff from water and wastewater providers that currently provide these same services to adjacent and/or overlapping areas. The MSR process will comprehensively evaluate statutory requirements (see attached MSR determinations) in addition to other factors to be determined in the MSR scope of work and project timeline to be developed.

Please let us know if your agency is interested in participating as a working group member for the San Juan Capistrano focused MSR process. A six to twelve month commitment is expected. Please confirm your participation to me by email at cemery@oclafco.org by **Friday, September 9, 2016**.

I look forward to working with you and if you have any questions, please contact either Assistant Executive Officer, Debra Kurita (dkurita@oclafco.org) or myself (cemery@oclafco.org) at (714) 640-5100.

Sincerely,


Carolyn Emery
Executive Officer

Attachment: MSR Determinations

LAFCO-MSR Determinations (Government Code Section 56430)

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Needs and Deficiencies
 - a. Present and planned capacity of public facilities,
 - b. Adequacy of public services, and
 - c. Infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and
 - d. 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.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.