

June 27, 2018

The Honorable Ricardo Cordova, Presiding Judge
Stanislaus County Superior Court
PO Box 3488
Modesto, CA 95353

SUBJECT: Stanislaus LAFCO's Invited Response to 2017-2018 Stanislaus County Civil Grand Jury Reports

Dear Judge Cordova:

The Stanislaus Local Agency Formation Commission (LAFCO) is in receipt of the 2017-2018 Civil Grand Jury reports related to the Burbank-Paradise Fire Protection District and all the fire districts (Case #s 18-06C and 18-15GJ). On behalf of Stanislaus LAFCO, this letter provides an invited response to the reports.

Dissolution or Consolidation

Dissolutions or consolidations can be initiated in three ways: by petition of property owners and/or voters, by the resolution from the district itself or another affected city or district, or by LAFCO when certain criteria are met. Many factors need to be considered by LAFCO prior to approval of a dissolution or consolidation of a district. These include, but are not limited to, determining how future services will be maintained and financed. Ultimately, the registered voters in the area would have the final determination whether or not to support the change.

LAFCO-initiated consolidations and dissolutions are rare and must be initiated as the result of a reorganization study. This type of study would review governance options, financial options, and service needs. Studies of this type are typically performed by a consultant and can range in cost from \$50,000-100,000, depending on the number of agencies involved and whether the study is Countywide. Stanislaus LAFCO is currently funded by the cities and County and does not budget for additional special district studies.

A recent report by the Little Hoover Commission recognized the issue of limited funding for these types of studies and recommended the Legislature create a one-time grant funding opportunity for LAFCOs. Assembly Bill 2258 is currently making its way through the Legislature and would provide an opportunity to fund LAFCO activities that may have no other source of funding. One of the potential uses would be to fund reorganization studies (including those for dissolutions and consolidations). Stanislaus LAFCO recently provided a letter of support for the bill. It is unknown at this time whether Stanislaus LAFCO would be successful in obtaining grant funding. The process would be competitive amongst the LAFCOs throughout the State. In addition, the Commission would need to approve a proposed use of the grant funds, which could include studies for any of the various special districts in our County.

Dissolution or consolidation is typically the last resort for a special district when there is no other feasible option for the district to function efficiently on its own. When districts are identified as having managerial issues, Brown Act violations, or ethics violations, the first priority is to correct

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these issues rather than eliminate the district. The Civil Grand Jury's report for the Burbank-Paradise Fire Protection District contains numerous recommendations for the District that are reasonable and achievable.

District Meeting Times/Locations

Reports adopted by LAFCO, including Municipal Service Reviews, are often a "snapshot in time" with information being current as of the date of the report's adoption. Profiles of all the fire districts were included in the Commission's Municipal Service Reviews adopted in 2007 and 2016. (Both of these documents are available on the LAFCO website.) LAFCO Staff has added a disclaimer to the profile pages in those documents advising readers to verify individual meeting times/locations with the district. A link is now provided that directs readers to the most current reported contact information and listing of board members located on the County Clerk of the Board's website. Any updated information provided by the districts to LAFCO will also be shared with the Clerk of the Board to maintain consistency.

Stanislaus LAFCO appreciates the Civil Grand Jury's invitation to respond to the reports. We are hopeful that the districts involved in these reviews will benefit from the opportunity to improve their governance and transparency as recommended.

Should you or the Civil Grand Jury have any questions, please contact our office at (209) 525-7660.

Sincerely,



Terrance P. Withrow, Chairperson
Stanislaus Local Agency Formation Commission