



Local Agency Formation Commission
2222 M Street
Merced, CA 95340
Phone (209) 385-7671 / Fax (209) 726-1710
www.lafcomerced.org

DATE: March 20, 2025 (Agenda)

TO: LAFCO Commissioners

FROM: ^{BN} Bill Nicholson, Executive Officer

RE: Status update of Municipal Service Reviews (MSRs), which are nearing completion: City of Los Banos, Resource Conservation Districts, and the Stevinson Water District involving a large annexation proposal
(Agenda Item VI.B)

There are three pending Municipal Service Reviews (MSRs) underway at the present time, two with the assistance of our historic consultant "Economic and Planning Systems (EPS, Inc) and one more focused one being prepared by Staff for the Stevinson Water District related to a pending annexation application. As the Commission knows, a Municipal Service Review is a study required by the California Government Code in amendments under the Cortese-Knox-Hertzberg Act of 2000. Before LAFCO can update or expand a city or special district sphere of influence, LAFCO must prepare an MSR and evaluate five factors regarding the feasibility of the jurisdiction's expansion. The law also requires LAFCOs to periodically review and update MSRs for all cities and special districts every 5 years, or as necessary, subject to the determination of each LAFCO.

City of Los Banos MSR

At the request of, and with funding provided by the City of Los Banos, the update for their MSR was initiated in 2023, and a preliminary administrative draft is nearing completion by our consultant, EPS, Inc. that will be shared by the City in the next couple months, before the public review process begins. The first MSR prepared by LAFCO for Los Banos was in 2004. A subsequent "Draft MSR" was prepared and circulated in 2012, however, it was never adopted by the Commission. With the City's adoption of the *2042 Los Banos General Plan* the City is requesting the MSR Update along with an expansion of their Sphere of Influence. With the recent turnover in City staff, it has taken longer for EPS to obtain information from the City, but they are just completing the Administrative Draft that will be shared with the City.

Resource Conservation District MSR

The Resource Conservation District Municipal Service Review (MSR) was initially adopted by Merced LAFCO in 2009. With adoption of the budget for the 2023-24 Fiscal Year, the Commission included in the work program the priority to update this MSR which is only one of three original MSRs which have not been updated. It has been discovered that two of the five Resource Conservation Districts (RCDs) in the County are inactive, and the other three have various levels of activity, with the East Merced RCD traditionally being the most active.

An Administrative Draft has been completed and was shared with the three active RCDs back in September 2024. This resulted in a recent meeting with the Executive Officer and the General Managers of the East Merced and San Luis RCDs along with the local representative of the local branch of the Natural Resource Conservation Service, which is a Federal agency that closely coordinates with RCDs in California on water and soil conservation efforts and similar activities. Further outreach is being conducted to explore the idea for a consolidation of multiple RCDs with the goal to help improve efficiency and support more activities.

Requested Action

This item is for the Commission's information, no action is requested at this time.