

Alameda

LAFCO

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
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September 16, 2016

Timothy Jones, Foreman
2015-2016 Alameda County Civil Grand Jury
1401 Lakeside Drive, Suite 1104
Oakland, CA 94612

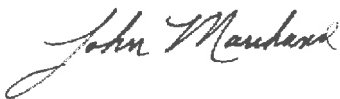
Dear Mr. Jones,

On June 21, 2016, the Alameda Local Agency Formation Commission (LAFCo) received the Alameda County Grand Jury Final Report 2015-2016. Part of the report includes a section titled, "Alameda Local Agency Formation Commission" which includes one finding and four recommendations requiring a response from Alameda LAFCo.

On September 8, 2016, the Commission considered a draft response and directed staff to finalize the response based on Commissioners' comments. The required responses to finding 16-22 and recommendations 16-16 through 16-18 are attached.

Please feel free to contact Mona Palacios, Executive Officer, at (510) 272-3894 or mona.palacios@acgov.org should you have any questions or require further information.

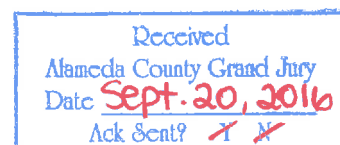
Sincerely,



John Marchand
Chair, Alameda LAFCo

Attachment

cc: Mona Palacios, Executive Officer, Alameda LAFCo



Alameda LAFCo 2015-2016 Grand Jury Report Responses

#	Finding/Recommendations	Response
<p>Finding 16-22</p>	<p><i>As a result of ALAFCo's lack of oversight of ETHD's advanced (strategic) planning practices, residents and other stakeholders of the district are unaware whether ETHD has long-term capacity, or even the intent, to provide well-planned delivery of efficient and sustainable health programs and services.</i></p>	<p>Alameda LAFCo disagrees with this finding. Alameda LAFCo's general powers and duties, as spelled out in Government Code Section 56375, do not include the right or responsibility to provide administrative oversight of local agencies which is how advanced strategic planning practices and constituent communications might be characterized. Oversight and implementation of strategic planning practices and communicating with constituents are responsibilities of the local agency itself. LAFCos are not structured nor funded for such purposes.</p> <p>In 2013, Alameda LAFCo completed a municipal service review (MSR) of the Eden Township Healthcare District. LAFCo's authority regarding oversight of Eden Township Healthcare District rests primarily in these periodically conducted studies. The Commission considers and adopts MSR determinations as part of a duly noticed public hearing which serves to enhance the public's knowledge of these issues.</p> <p>Government Code Section 56430 requires LAFCos to make the following MSR determinations:</p> <ol style="list-style-type: none"> 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. Present and planned capacity of public facilities, 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. 7. Any other matter related to effective or efficient service delivery, as required by commission policy. <p>The purpose of an MSR is to:</p> <ul style="list-style-type: none"> • Establish and amend an agency's sphere of influence (defined in Government Code Section 56076 as "a plan for the probable physical boundaries and service area of a local agency...") and to serve as an information resource when considering proposed changes of organization; • Learn about service issues and needs and update service provider records; • Promote orderly growth and development, encourage infill development, and direct growth to areas planned for growth in General Plans;

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		<ul style="list-style-type: none"> • Provide tools to support planning efforts that address regional, cross county or statewide issues and processes; • Develop a structure for dialogue among agencies that provide services and a support network for smaller or ill-funded districts that provide valuable services; • Develop strategies to avoid unnecessary costs, eliminate waste, and improve public service provision while planning for provision of high quality infrastructure needed to support healthy growth; and • Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, shared resource acquisition, joint funding requests or strategies, or integrated land use planning and service delivery programs. <p>LAFCo works closely with the subject agency(ies) in the preparation of an MSR, and local agencies and interested parties are provided notices regarding the availability of MSR reports and LAFCo hearings. All LAFCo MSRs and meeting agenda items are available on the LAFCo website at: www.acgov.org/lafc/.</p>
<p><i>Recommendation 16-16</i></p>	<p><i>The Alameda Local Agency Formation Commission must ensure that the Eden Township Healthcare District's strategic planning aligns with ETHD's current operational structure.</i></p>	<p>Recommendation was implemented. As part of the 2013 MSR conducted by Alameda LAFCo, the Commission received information about the District's operational structure as well as its strategic plan. On November 14, 2013, the Commission updated the District's sphere of influence (SOI) and adopted a provisional SOI. A provisional SOI indicates that LAFCo has identified a need for an agency to address organizational issues. The provisional SOI included a condition that the District return to LAFCo to report back on implementing its strategic plan. The District provided an update in November 2014 at which time LAFCo removed the provisional status of the SOI, but again included a condition for the District to return to LAFCo to provide an update on its plans with the City of Dublin as well as implementation of the District's strategic plan. In November 2015, the District provided another update to the Commission. These repeated presentations enabled LAFCo to consider how the District's strategic planning efforts align with its operational structure.</p>
<p><i>Recommendation 16-17</i></p>	<p><i>The Alameda Local Agency Formation Commission must provide greater scrutiny and oversight of the Eden Township Healthcare District to ensure that current and future Municipal Service Reviews are effectively constructed to meet the district's adherence to advanced (strategic) planning practices and ongoing reporting to residents and other stakeholders of successful mission outcomes</i></p>	<p>Recommendation will not be implemented because it is not warranted or reasonable. As mentioned above in the response to Finding 16-22, Alameda LAFCo's general powers and duties do not include the right or responsibility to provide administrative oversight of local agencies. LAFCos are not structured nor funded for such purposes.</p> <p>Alameda LAFCo constructs its MSRs in compliance with Government Code Section 56430, also described above in response to Finding 16-22. At most, an MSR is prepared in 5-year intervals which does not lend itself to the type of ongoing oversight that the Grand Jury has identified.</p>

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<p>Recommendation 16-18</p>	<p><i>The Alameda Local Agency Formation Commission must employ its initiatory powers (planning and regulatory) to decide the public value of the Eden Township Healthcare District in light of the overall needs of the district and act accordingly by either recommending dissolution or consolidation.</i></p>	<p>Recommendation is being implemented. At the July 14, 2016 Alameda LAFCo meeting, the Commission decided to initiate a special study of the Eden Township Healthcare District. The purpose of the special study is to review the services currently provided by the District, its financial position including any future obligations, as well as a fiscal analysis of various governance options including dissolution. The study is expected to be completed by January 2017. The Commission notes that Recommendation 16-18 is in conflict with Recommendation 16-15 in the Grand Jury's report regarding the Eden Township Healthcare District which directs the District's Board of Directors to place the question of whether the District should continue to exist before the District's voters.</p>