



AGENDA ITEM 9B

MEETING: July 15, 2026
TO: Humboldt LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: **Status of Municipal Service Reviews and Sphere of Influence Updates**
The Commission will receive a report summarizing activity on MSR/SOI Updates. This report is for information only.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act directs Local Agency Formation Commissions (LAFCOs) to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies in addition to any related sphere changes.

DISCUSSION

Following is a summary of current MSR/SOI Updates. Staff continues to make progress on the current MSR program and is coordinating with affected agencies as each study advances. Additional MSRs will be initiated during fiscal year 2026–27 as budget and workload allow.

City of Eureka MSR and SOI Update

An administrative draft of the MSR/SOI Update has been completed and is ready for City review. LAFCo staff will be coordinating with the City of Eureka, Humboldt Community Services District, and Humboldt County Planning and Building Department to review the document, discuss potential Sphere of Influence revisions, and evaluate areas of overlapping jurisdiction and long-range service planning.

Scotia Community Services District MSR and SOI Update

Staff is continuing to compile an administrative draft MSR/SOI Update for the Scotia CSD, and continues to coordinate with District staff regarding information needs. In addition, LAFCo has been contacted by the District's consulting engineer regarding a state-funded feasibility study evaluating potential consolidation of water and/or wastewater services between the Scotia CSD and the City of Rio Dell. LAFCo staff anticipates participating in an initial coordination meeting to discuss system consolidation and governance considerations that could result from the study. Information developed through that effort will help inform the MSR.

Hydesville County Water District MSR and SOI Update

Staff has begun the review of the Hydesville CWD. This has included initial research into agency history and community demographics, and an initial review of services and current governance structure. Staff has reached out to Hydesville CWD and is in the process of setting up an initial meeting.

Loleta Community Services District MSR and SOI Update

Staff has begun the review of the Loleta CSD and are in the early stages of research and document development. Staff will be reaching out to Loleta CSD in the next month to set up an initial interview.

Activity	Tentative Time Frame
City of Eureka MSR/SOI Update	Sept/Nov 2026 Hearing
Scotia CSD MSR/SOI Update	Nov/Jan 2027 Hearing
Hydesville CWD MSR/SOI Update	Jan/Mar 2027 Hearing
Loleta CSD MSR/SOI Update	Mar/Apr 2027 Hearing

RECOMMENDATION

Staff recommends the Commission receive and file this report.