

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF JUNE 27, 2018*

### *REGULAR MEETING*

**TO:** Shiva Frentzen, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**PREPARED BY:** Erica Sanchez, Assistant Executive Officer

#### **AGENDA ITEM #15A: OTHER BUSINESS – LEGISLATION**

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#### **RECOMMENDATION**

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the 2017-2018 Legislative Session. No Commission action is requested.

#### **REASON FOR RECOMMENDED ACTION AND BACKGROUND**

The State Legislature is in the second year of the current two-year legislative cycle. The following is a summary and update of current legislation that will have a direct impact to LAFCOs:

#### **Recent Changes**

##### **AB 2258 (Caballero): LAFCO Grant Funding**

*Introduced 2/13/18, Last Amended 4/23/18*

**Position: Letter of Support 3/28/18**

AB 2258 is a CALAFCO-sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCO in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would end December 31, 2023.

The bill also changes the protest threshold for LAFCO-initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCO to order the dissolution of a district (outside of the ones identified by the State Controller's Office) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or reorganization pursuant to this

section, the election threshold would be 25% rather than 10%, in accordance with Government Code Section 57075. A separate budget request of \$2 million over five years is being done as a companion to this bill.

**Status:** AB 2258 passed the Assembly; however, it was very close and the bill only passed by two votes. The bill is currently in the Senate where it has been dual-referred to the Senate Governance and Finance Committee and the Senate Natural Resources and Water Committee; it is scheduled to be heard by the SGFC on June 20.

CSDA has taken a strong Oppose Unless Amended position on AB 2258, based on the proposed changes to the voter thresholds for protesting LAFCO-initiated actions funded by these grants. CSDA sent out an email to its member districts (containing, in some instances, inaccurate information), alerting them of this bill and requesting opposition. CALAFCO is strategizing for how to best respond to CSDA (staff and board), districts, and legislators regarding the inaccurate information circulated by CSDA. Since the May Commission meeting, your Executive Officer has reached out to the fire protection districts, cities, and larger districts encouraging them to send letters of support on AB 2258; reached out to the local representatives for Assembly Members Bigelow and Kiley; and attended board meetings for the El Dorado Hills and Cameron Park CSDs to further explain AB 2258. Agencies on record for supporting the bill include: El Dorado County (as reported by Commissioner Frentzen last month), CSAC, Urban County Caucus, RCRC and Garden Valley FPD; Cameron Park CSD and the Fire Chiefs' Association will also consider sending a letter at their next meetings.

This information is up-to-date as of June 14. The CALAFCO Legislative Committee has an emergency meeting scheduled for June 18 to discuss late-breaking news regarding AB 2258; staff will verbally update the Commission at the June 27 meeting.

### **Minor Recent Changes**

#### **AB 2050 (Caballero): Small System Water Authority Act of 2018 *Introduced 2/6/18, Last Amended 6/11/18***

AB 2050 would create the Small System Water Authority Act of 2018, authorizing the creation of small system water authorities that will have powers to absorb and operate noncompliant public water systems that have either less than 3,000 service connections or serve less than 10,000 people, and are not in compliance with state or federal primary drinking water standards. The bill gives the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing water service providers (public, private and mutual), and authorize the formation of a new public authority with all of the dissolved entities. The new authority may include areas that are not contiguous. The SWRCB already has the authority to mandate consolidation of these systems (SB 88, 2015), this will add the authority to mandate dissolution and formation of a new public agency. The bill requires that there be at least five small systems in a county in order to trigger the formation of a small system water authority.

LAFCO will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant to LAFCO on behalf of the State. LAFCO will have ability to approve the application with modifications, and the new agency will have to report to the LAFCO annually for the first three years.

**Status:** AB 2050 passed the Assembly and is currently in the Senate where it was last amended on June 11. As amended, the bill specifies funding amounts and sources, based on a detailed funding model, for LAFCOs, Administrator costs, start-up support costs, one-time capital reserve establishments costs, and business valuations for private or mutual water companies. The bill has also been codified in CKH, which was a concern for CALAFCO. CALAFCO continues to work with the author and sponsor on additional amendments including giving the authority to levy fines to the SWRCB (rather than the LAFCO) and addressing process and timing issues. The bill has been re-referred to the Senate Committee on Environmental Quality with a June 20 hearing date.

**AB 2238 (Aguiar-Curry) – Hazard Mitigation Plan Consideration**

***Introduced 2/13/18, Last Amended 6/12/18***

**Position: Letter of Support 5/23/18**

AB 2238 adds another factor for LAFCO consideration in the review of a proposal: information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the area that is the subject of the proposal. The bill also includes non-LAFCO-related sections requiring the update of a housing element to take into account loss of units during a state of emergency. The Commission voted to take a support position for AB 2238 at the May 23 meeting.

**Status:** AB 2238 passed the Assembly and is currently in the Senate, where it was recently amended to to remove proposed changes related to tentative and parcel map approval. The bill has been re-referred to the Senate Governance and Finance Committee with a June 20 hearing date.

**AB 3254 (Committee on Local Government) – Local Government: Omnibus Bill**

***Introduced 2/15/18, Last Amended 5/17/18***

**Position: Letter of Support 3/28/18**

AB 3254 is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000, which makes technical, non-substantive clean-up corrections to the Act. The bill includes technical changes to the Act which are necessary to help clarify and streamline the LAFCO process, ultimately resulting in less ambiguity in the law. CALAFCO is the sponsor of this bill.

**Status:** This bill passed the Assembly and is now in the Senate, where it has been referred to the Senate Governance and Finance Committee and is scheduled for hearing on June 13. The bill was amended to add several items, including further clarification of Independent Special District Selection Committee procedures.

**SB 561 (Gaines): Fallen Leaf Lake Community Services District: Elections**

***Introduced 2/17/17, Last Amended 5/10/18***

**CALAFCO Position: Watch**

**Position: Watch, Letter of Concern 1/24/18**

SB 561 pertains to the Fallen Leaf Lake Community Services District (CSD). Under current law, the Fallen Leaf Lake CSD is a resident voting district. SB 561 would allow voters who are residents of the District, as well as voters who are not residents but either own a real property interest in the District or have been designated by the owner of a real property interest to cast the vote for that property, to vote in a Fallen Leaf Lake CSD

election. This bill would also allow a person qualified to vote pursuant to these provisions to be a candidate for, and serve on, the Fallen Leaf Lake CSD board of directors.

**Status:** SB 561 passed the Senate and is now in the Assembly where it was amended on May 10. As amended, this bill would require the El Dorado County elections official, *with the assistance of the Fallen Leaf Lake CSD*, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill. The bill has been re-referred to the Assembly Local Government Committee with a hearing date scheduled for June 20.

### **No Recent Changes**

#### **AB 2501 (Chu): Drinking Water: Consolidation and Extension of Service**

***Introduced 2/14/18, Last Amended 4/17/18***

#### **CALAFCO Position: Watch with Concern**

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines “disadvantaged community” for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine “disadvantaged community” for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

**Status:** AB 2501 passed the Assembly and is now in the Senate where it was recently assigned to the Environmental Quality Committee for hearing on June 20. There have been no recent changes to this bill since the Commission was last updated.

#### **SB 929 (McGuire) – Special District Websites**

***Introduced 1/25/18, Last Amended 3/6/18***

This bill would, beginning on January 1, 2020, require every independent special district to maintain an internet website that clearly lists contact information for the special district, unless certain exemption standards have been met. Independent special districts who are unable to maintain a website because of a hardship, such as inadequate staff, financial resources, or access to broadband, may be exempted on an annual basis by a resolution adopted by the governing board with detailed findings. The Commission voted to take a support position for SB 929 at the May 23 meeting.

**Status:** SB 929 is in the Assembly where it has been referred to the Assembly Local Government Committee with a hearing date scheduled for June 13. There have been no recent changes to this bill since the Commission was last updated.

#### **SB 1215 (Hertzberg): Provision of Sewer Service: Disadvantaged Communities**

***Introduced 2/15/18, Last Amended 4/30/18***

#### **CALAFCO Position: Watch with Concerns**

SB 1215 would authorize the State Water Resources Control Board (SWRCB) to mandate extension of sewer service by a special district, city, or county to a disadvantaged community or consolidation of wastewater systems – both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

**Status:** This bill passed the Senate and is now in the Assembly awaiting committee assignment. There have been no recent changes to this bill since the Commission was last updated.

### **Bills That Failed to Meet Deadline**

#### **AB 2268 (Reyes) – Vehicle License Fee Adjustments: Inhabited Annexations**

This bill would have reinstated VLF (vehicle license fee) funding to cities for inhabited annexations. The Commission voted to take a support position for AB 2268 at the May 23 meeting.

**Status:** Died in the Assembly Appropriations Committee for failure to meet the May 27 deadline for fiscal committees to hear and report to the floor bills introduced in their house.

#### **AB 2491 (Cooley) – Vehicle License Fee Adjustments: New Cities**

This bill would have reinstated VLF funding for future city incorporations.

**Status:** Died in the Assembly Appropriations Committee for failure to meet the May 27 deadline for fiscal committees to hear and report to the floor bills introduced in their house.

### **Attachment**

Attachment A: Complete CALAFCO Legislation Report