

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 23, 2017

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, Policy Analyst

AGENDA ITEM #9A: OTHER BUSINESS – LEGISLATION

RECOMMENDATION

Staff recommends that the Commission receive the following summary of LAFCO-related legislation for the 2017-2018 Legislative Session and consider taking a Support position for SB 448.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

Chaptered Bills:

AB 464 (Gallagher R): Service Plan Amendment for Annexations with an OASA *Signed by the Governor July 10, 2017*

AB 464 makes a correction to Government Code §56653 based on the court finding in the case of *The City of Patterson v. Turlock Irrigation District*. The court found that because the services were already being provided via an out-of-agency service agreement (OASA), the application for annexation was deemed incomplete because it was not a new service to be provided. AB 464 allows LAFCOs to continue to approve annexations of areas already receiving services via an out-of-area service agreement.

AB 545 (Bigelow R): JPA Participation – El Dorado County Hospitals *Signed by the Governor July 24, 2017*

The Joint Exercise of Powers Act only authorizes public agencies to enter into a joint powers agreement; AB 545 would authorize a private, nonprofit hospital in the County of El Dorado to enter into a joint powers agreement with a public agency. This would allow Marshall Medical Center in Placerville and Barton Memorial Hospital in South Lake Tahoe to enter into a joint powers agreement with El Dorado County Service Areas 3 and/or 7 for emergency medical (ambulance) services. The bill would prohibit nonprofit hospitals and public agencies participating in the agreement from reducing or eliminating any emergency services following the creation of the joint powers authority without a public hearing.

CALAFCO Requested Positions:**SB 448 (Wieckowski D): Dissolution of Inactive Districts*****Last amended 7/17/2017***

As amended on July 17, SB 448 authorizes LAFCO to dissolve inactive districts (after determining they meet the criteria set forth in the statute) by holding one hearing, without conducting a special study and with the waiver of protest proceedings. The State Controller is required to notify LAFCO when a district is inactive. LAFCO then has 90 days to initiate dissolution, and another 90 days in which to hold the hearing to dissolve. Should the LAFCO determine the district does not meet the criteria, no dissolution occurs and LAFCO notifies the Controller the district is not inactive. Should the LAFCO determine the district does meet the criteria then it is ordered to be dissolved. The bill also requires a district to provide LAFCO with their audits at the same time they provide them to the Controller.

Recommendation: SUPPORT

After much collaboration with the author's office and key stakeholders on amendments, all of CALAFCO's previous issues with this bill have been resolved with the most recent amendments and CALAFCO has changed its position from Oppose Unless Amended to Support. CALAFCO has also sent out a call for legislative action, requesting that each LAFCO send letters of support for SB 448. A draft letter of support is included as Attachment A.

Other Bills of Interest:**AB 366 (Oberholte R): Water Supply**

Originally, this bill would have allowed hauled water to be considered a viable water source for certain parcels seeking a building permit for new residential development. This Commission voted to take an opposition to this bill at the June 28 meeting; however, as amended on June 29, 2017 this bill was gutted and amended into a very different bill that is not related to water supply.

AB 979 (Lackey R): Special District Seating on LAFCOs***Last amended 5/15/2017***

AB 979 streamlines the process of seating special district representatives on LAFCOs which don't currently have special district representation. Keeping the process voluntary, it allows for voting by mail whether or not the district wants to have special districts represented on LAFCO. Further, it will allow for the consolidation of that question with the independent special district selection committee appointment to a countywide redevelopment agency oversight board.

El Dorado LAFCO already has special district representation and El Dorado County does not have a countywide redevelopment agency oversight board; therefore, AB 979 will not directly affect this LAFCO. AB 979 is currently on the Senate floor awaiting passage.

AB 1361 (Garcia, Eduardo D): Municipal Water Districts: Indian Tribes***Last amended 6/28/2017***

As amended, AB 1361 allows water districts to provide service to an Indian tribe's lands that are not within the district boundaries without going through the current statutory process of approval by LAFCO. Amendments were taken by the author during the Senate Governance and Finance Committee hearing July 19 that include LAFCO's ability to apply certain terms and conditions to the application by the water agency and limits the land to

be served to lands in trust; however, the amendments are not yet in print. CALAFCO still has a number of concerns and will continue to work with the author and sponsor. CALAFCO has taken an Oppose position on the bill.

AB 1479 (Bonta D): Public Records: Custodian of Records

Last amended 7/18/2017

As amended, AB 1479 requires any public agency to designate a person/office to act as the agency's custodian of records who will be responsible for responding to all public records requests and to respond to inquiries as to why the agency denied the request for records. Further the bill adds a failure to respond for records or an improperly assessed fee can be considered a civil penalty and allows the courts to issue fines ranging from \$1,000 to \$5,000. CALAFCO has taken an Oppose position on the bill.

AB 1725 (Committee on Local Government): Annual Omnibus Bill

Last amended 7/20/2017

AB 1725 is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000 (CKH), which makes minor, non-substantive technical changes to CKH. As amended, the bill includes the following four items approved by the CALAFCO Legislative Committee:

56031(a) Revised definition of contiguous to “territory that abuts or shares a common boundary with territory within a local agency” instead of “territory adjacent to territory within a local agency”.

56131.5 Adds “detachment” to healthcare district reorganizations.

56383(a) Broadens allowable LAFCO fee recovery to include MSR/SOI updates and studies.

56658 Adds “local” to “affected agency”

This bill is on the Senate floor awaiting passage until session reconvenes on August 21. Once passed, it will go back to the Assembly for concurrence.

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

Last amended 7/20/2017

SB 561 is a special statute for the Fallen Leaf Lake Community Services District (CSD), which provides fire suppression and parks and recreation services to the area surrounding Fallen Leaf Lake, south of Lake Tahoe.

Under existing law, the Fallen Leaf Lake CSD is a resident voter 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.

The bill was amended to specify that Fallen Leaf Lake CSD shall not provide any services that it does not already provide (which are fire protection, including medical response and emergency services, and parks and recreation services). SB 561 is expected to be a two-year bill, which means the bill was introduced early in the first half of the two-year legislative session but it isn't expected to meet the deadlines to clear both houses before

the end of the year. Therefore, there won't likely be any significant movement until the second half of the legislative cycle in 2018.

SB 778 (Hertzberg D): Water Systems: Consolidations: Administrative and Managerial Services

Last amended 7/13/2017

As amended, SB 778 would require the State Water Resources Control Board to track and publish on its website an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

As reported at the June 28 meeting, Senator Hertzberg's staff was approached by the Leadership Council for Justice and Accountability with the same water/wastewater issue LAFCOs spent so much time on last year with Senator Wolk (SB 1318). However, Senator Hertzberg's Chief of Staff advised CALAFCO that as of July 3 they have decided to step back from any radical amendments as proposed by the environmental justice group, at least for this year. Further amendments may be considered for next year. CALAFCO will continue to watch this bill.

Little Hoover Commission Report Update:

As reported at the June 28 meeting, the Little Hoover Commission (LHC) held their final roundtable discussion on LAFCOs and special districts on June 22. The purpose of the roundtable was to meet with key stakeholders, including CALAFCO, in order to refine the recommendations the LHC is drafting for its final report. The next hearing on this topic, at which the LHC is scheduled to adopt the final recommendations, is set for August 24. Summary minutes of the June 22 meeting and CALAFCO's letter to the LHC in response to the June roundtable are included as Attachments B and C.

Upcoming Legislative Dates

Aug. 21: Legislature reconvenes from summer recess

Sep. 15: Last day for each house to pass bills

Oct. 15: Last day for the Governor to sign or veto bills passed by the Legislature

Attachments

Attachment A: SB 448 Support Letter (Dissolution of Inactive Districts)

Attachment B: Summary of 6-22-17 LHC Roundtable on LAFCOs and Special Districts

Attachment C: CALAFCO 7-20-17 Letter to the Little Hoover Commission

Attachment D: CALAFCO Legislation Report