

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MAY 23, 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 #9A: OTHER BUSINESS – LEGISLATION

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:

AB 2050 (Caballero): Small System Water Authority Act of 2018

Introduced 2/6/18, Last Amended 4/17/18

CALAFCO Position: Watch

AB 2050 would create the Small System Water Authority Act of 2018, authorizing the creation of small system water authorities 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 authorizes the State Water Resources Control Board (SWRCB) to mandate dissolution of existing water service providers (public, private and mutual), and form 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.

LAFCO will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB would appoint an administrator to be responsible for the interim administration and management of the authority and to 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.

The amendments on April 17 reflect a substantial amount of CALAFCO feedback and suggestions. CALAFCO is continuing to work with the author and sponsor on additional amendments and concerns including changing the authority to levy civil penalties from LAFCO to the SWRCB; addressing process and timing issues; and ensuring proper LAFCO funding language. Other concerns include questions regarding LAFCO's ability to approve formation with modifications, and the lack of reference to LAFCO having the authority to dissolve a public agency, as mandated by the SWRCB (there is a process identified to dissolve a public water system, but not a public agency).

This bill is still in the Assembly and has been re-referred to the Committee on Appropriations.

AB 2238 (Aguiar-Curry): Hazard Mitigation Plan Consideration

Introduced 2/13/18, Last Amended 4/3/18

CALAFCO Position: Watch

AB 2238 would add another factor for LAFCO consideration in the review of a proposal. This bill would require the commission to consider 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.

As amended, the bill also adds two non-LAFCO-related sections to the Government Code pertaining to the update of a housing element, requiring regional councils of governments (COGs) to consider loss of housing units when calculating regional housing needs.

This bill was scheduled for the Assembly Consent Calendar on May 7.

AB 2258 (Caballero): LAFCO Grant Funding

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

CALAFCO Position: Sponsor

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 sunset on 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.

This bill is scheduled to be heard by the Assembly Committee on Appropriations on May 9.

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.

AB 2501 does the following: redefines “disadvantaged community” for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well; authorizes the SWRCB to order consolidation with a receiving water system where a disadvantaged community is reliant on a domestic well that consistently fails to provide an adequate supply of safe drinking water; authorizes the SWRCB to develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the state board to consider ordering consolidation; and amends the process outlined in SB 88 by expanding the capacity of the proposed interconnection needed to accomplish the consolidation to also include water service to infill sites and residents of a disadvantaged community that are located along the service line connecting the subsumed water system and the receiving water system.

This bill is still in the Assembly and has been re-referred to the Committee on Appropriations.

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

Introduced 2/15/18

CALAFCO Position: Sponsor

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.

This bill is still in the Assembly, where it is scheduled to be heard by the Committee on Local Government on May 9.

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

Introduced 2/17/17, Last Amended 1/23/18

CALAFCO Position: Watch

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

SB 561 pertains to the Fallen Leaf Lake Community Services District (CSD). Under existing 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.

SB 561 also specifies 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).

The bill would require El Dorado County Elections to maintain the list of qualified voters, including verified legal representatives, and notify each parcel owner regarding the right to designate a person to cast a vote at district elections.

The bill was passed by the Senate and is now in the Assembly where it has been referred to the Committees on Local Government and Elections and Redistricting.

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

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

CALAFCO Position: Watch with Concerns

As amended, SB 1215 would authorize the State Water Resources Control Board (SWRCB) to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. The bill would require the SWRCB board to take certain actions before ordering the provision of sewer service that are similar to those required for the consolidation or extension of water systems. The bill would authorize the SWRCB to develop and adopt a process by which members of disadvantaged communities may petition the state board for consideration of provision of sewer service. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

The current version includes a number of amendments that address previous CALAFCO concerns. However, there is an outstanding issue of annexing territory to which services were extended into a city (the bill was amended to call for a mandatory annexation into a district should the services be extended by them), and concerns about the overall effectiveness of SB 88.

This bill is scheduled to be heard by the Senate Appropriations Committee on May 14.

Attachment

Attachment A: Complete CALAFCO Legislation Report