

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF SEPTEMBER 24, 2008

REGULAR MEETING

TO: Francesca Loftis, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #6: PRESENTATION ON THE PROCESS FOR IMPLEMENTING
SB 1458'S PROVISION OF DESIGNATING THE LATENT
POWERS OF COUNTY SERVICE AREAS

RECOMMENDATION

Staff recommends that the Commission receive the following information regarding Senate Bill 1458 and the designation of a CSA's power as "latent."

REASON FOR RECOMMENDED ACTION

Senate Bill 1458 (Senate Local Government Committee, 2008), among other things, mandates the designation of a county service area's powers as active or latent by January 1, 2009. Specifically, the bill defined and clarified "latent powers" as any service that an existing CSA is currently authorized to perform but LAFCO has determined, through its municipal services review process and discussions with CSA staff, as not being actively provided prior to January 1, 2009.

BACKGROUND

County Service Areas

The County Service Area Laws (Government Code §25210 et seq.) authorize the formation of county service areas (CSAs) to provide authorized services, as specified. A CSA is a type of local government, similar to a special district, but is a dependent agency with no independently elected board to govern it. A county board of supervisors always governs a CSA which can provide any county service or a higher level of any county service that the county government provides to an unincorporated area. In short, a CSA delivers more county services to a specific geographic area.

SB 1458 (Senate Local Government Committee)

SB 1458 creates a CSA Law that differs from the previous statute in dozens of ways, but particularly in policy, power, procedures and oversight. It significantly improves and streamlines the process for formation and changes in CSAs by bringing the law into consistency with the Cortese-Knox-Hertzberg Local Government Reorganization Act, Proposition 218, the Political Reform Act and the Brown Act. This is the first comprehensive revision by the Legislature to the County Service Area Law since it passed in 1953.

SB 1458 repeals the existing statutes that govern CSAs and enacts a new CSA Law with eight detailed articles:

1. General provisions, including legislative declarations and definitions.
2. Formation procedures, with local agency formation commission approval.
3. General powers, covering basic governance topics.
4. Services and facilities.
5. Finance, covering budgets, audits, and borrowing.
6. Revenues, including special taxes, benefit assessments, and fees.
7. Capital financing, covering three types of bonds.
8. Zones, allowing for localized financing and special services.

CSA Latent Powers

Of highest significance, Senate Bill 1458 requires LAFCO to designate a CSA's powers as active or latent by January 1, 2009. "Latent powers" are defined as any service or facility authorized by Article 4 (commencing with Section 25213) that LAFCO has determined, pursuant to subdivision (h) of Section 56425, that the county service area was not authorized to provide prior to January 1, 2009 [Government Code §25210.2(g)].

In addition, the bill also requires the Board of Supervisors to receive LAFCO approval prior to exercising a latent power (§25213.5) or prior to divesting a CSA of the authority to provide a service or facility, if the proposed divestiture would require another public agency to provide a new or higher level of services or facilities (§25213.6).

Proposed Process for Determining Latent Powers

In order to comply with SB 1458, staff plans to create an inventory of latent services, those not authorized to be provided by the CSAs by January 1, 2009. This inventory will be compiled from information contained within the municipal services reviews and directly from the CSAs through collaborative meetings with LAFCO staff to discuss the designations, giving the CSAs sufficient advance notice and opportunity to present their case prior to Commission action. Staff plans to return with a recommendation for latent power designations at the December 17, 2008 meeting for Commission discussion and approval.