

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 22, 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 #10A: 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 reconvened from summer recess on August 6 to wrap up the second year of the current two-year legislative cycle. August 31 is the last day for each house to pass bills; September 30 is the last day for Governor Brown to sign or veto bills passed by the Legislature. The following is a summary and update of current legislation that will have a direct impact to LAFCOs:

Bills of Interest:

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

Last Amended 8/6/18

This bill gives the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public authority. An authority may include systems and areas that are contiguous 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. An application to form a new authority must include at least five public water systems. The bill includes funding for LAFCOs, administrators, and funding assistance for new authorities.

LAFCO will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. 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.

AB 2050 was last amended by the author on August 6 to address the transfer of the interests and obligations of a water corporation or mutual water company to the authority,

upon dissolution. The bill was placed in the Senate Appropriations Committee suspense file with an August 16 hearing date.

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

Last Amended 6/12/18

Position: Support

This bill 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 consider loss of units during a state of emergency.

AB 2238 is currently in the Senate, where it was ordered to a second reading and the consent calendar. On August 9 the bill was ordered to the inactive file at the request of Senator Dodd.

AB 2258 (Caballero): LAFCO Grant Funding

Last Amended 8/6/18

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. The Strategic Growth Council (SGC) will 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.

Recent amendments narrow the scope of the bill to focus on service providers serving disadvantaged communities; requires LAFCO pay back grant funds in their entirety if the study is not completed within two years; and require the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies. 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 SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending). The bill provides \$1.5 million over 5 years as a grant to LAFCOs for the three purposes noted. AB 2258 has been placed on the Senate Appropriations Committee suspense file with an August 16 hearing date.

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

Last Amended 6/27/18

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 mobile home 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.

AB 2501 is in the Senate Appropriations Committee and has been placed in the suspense file with an August 16 hearing date.

**SB 561 (Gaines): Fallen Leaf Lake Community Services District: State Audit
Last Amended 6/26/18**

This bill would require, by August 1, 2019, the California State Auditor to complete an audit of the Fallen Leaf Lake Community Services District that includes, among other things, an analysis of the district’s financial condition and ongoing financial viability.

SB 561 was re-referred to the Assembly Appropriations Committee.

**SB 929 (McGuire) – Special District Websites
Last Amended 3/6/18**

Position: Support

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.

SB 929 is scheduled for a third reading in the Assembly on August 16.

**SB 1215 (Hertzberg): Provision of Sewer Service: Disadvantaged Communities
Last Amended 7/2/18**

As amended, SB 1215 authorizes 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.

SB 1215 has been re-referred to the Assembly Appropriations Committee with an August 15 hearing date.

Chaptered Bills:

Unless otherwise noted, chaptered bills will become effective January 1, 2019.

**AB 3254 (Committee on Local Government) – Local Government: Omnibus Bill
Last Amended 5/18/18, Signed by the Governor 7/9/18**

Position: Support

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. AB 3254 was signed by the Governor on July 9, 2018.

Attachments

Attachment A: CALAFCO Legislation Report