

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF FEBRUARY 26, 2020

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 update on LAFCO-related legislation from the 2019-2020 Legislative Session. No Commission action is requested.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

February 21 is the last day for bills to be introduced. The following is a summary of the most recent changes to legislation of interest to El Dorado LAFCO:

Dead Bills

January 31 was the last day for bills introduced in the first year of the legislative session to be passed by the house of origin to become carryover bills. The following bills did not meet this deadline, were returned to the Chief Clerk of the Assembly or Secretary of the Senate, respectively, and are considered dead:

AB 315 (Garcia, Cristina) – Local government: lobbying associations: expenditure of public funds.

Status: Dead, filed with the Chief Clerk of the Assembly February 3, 2020.

AB 315 would have prohibited an association of local agencies or districts from using funds paid from local agencies for any purpose other than lobbying or strictly educational activities.

AB 818 (Cooley) – Vehicle license fee adjustments: city incorporations.

Status: Dead, filed with the Chief Clerk of the Assembly February 3, 2020.

AB 818 would have reinstated vehicle license fee (VLF) revenue for cities incorporating after 2018.

Update on the 2019 State Auditor Report on Fallen Leaf Lake CSD

In July 2019, the California State Auditor released a report on the Fallen Leaf Lake Community Services District (FLLCSD), which found that FLLCSD overbilled reimbursing agencies by more than \$700,000 from 2016 through 2018 for firefighting assistance, and that FLLCSD's electorate of permanent residents presents a significant challenge to the District's ability to function effectively and recruit candidates to run for its board. The report included recommendations for FLLCSD, the State Legislature and the Governor's Office of Emergency Services (Cal-OES). On February 11, 2020, the State Auditor published an update regarding implementation of the recommendations in the report (including in full, as 'Attachment A'), including agency responses and the State Auditor's assessment of the status of implementation.

Recommendations for FLLCSD included to develop and implement a plan to repay excess reimbursements received by the District for 2016-2018, and work with Cal-OES to identify excess reimbursement received for 2013-2015 and develop a repayment plan if necessary. FLLCSD responded in December 2019 that it is engaging with Cal-OES and conducting an internal audit for fire seasons 2016-2018, as well as working with Cal-OES to determine if overpayments were received for 2013-2015. FLLCSD's internal audit is expected to be completed in the second quarter of 2020 and Cal-OES has not yet made a determination regarding overpayments for 2013-2015. *The State Auditor's Office concluded that completion of these recommendations is pending.*

The report also recommended that FLLCSD forecast future financial risks and their financial impacts, limit reliance on volatile revenue sources to balance the budget, develop and implement a budget plan that realistically estimates changes in revenues and expenditures, and develop a five-year forecast of estimated revenues and expenditures and a plan for fluctuations. *FLLCSD has taken some steps towards addressing these recommendations, but the State Auditor does not yet agree that the District has fully implemented them. The Auditor stated its intention to re-assess FLLCSD's implementation of these recommendations in early 2020.*

Finally, additional recommendations for FLLCSD included to create and implement policies regarding strike team reimbursement rates, characterization and compensation of recruit firefighters, and procedures for reimbursement claims. The District responded that it has adopted various resolutions, policies and procedures to rectify these concerns. *The State Auditor concluded that these recommendations were resolved by the District.*

Recommendations for the State Legislature included to enact legislation to allow landowners and Forest Service permit holders to vote on District matters and serve on the board along with registered voters, and to amend State law to require a LAFCO to assess whether an electorate is of sufficient size when it considers creating or modifying a special district. AB 1053 (Dahle, Hill), introduced in 2019, states the intent of the Legislature to address recommendations in the State Auditor's report; however, as of the beginning of this legislative year the bill has not been amended.

Attachments

Attachment A: Recommendation Responses to State Auditor Report on Fallen Leaf Lake Community Services District 2018-133

Attachment B: CALAFCO Legislation Report