

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JUNE 28, 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 #11A: 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 at this time.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

Little Hoover Commission Report Update

As reported at the May 24 meeting, CALAFCO convened an ad hoc committee of volunteers, including José Henríquez and Commissioner Powell, to create an outreach plan for the Little Hoover Commission (LHC) and to discuss strategy for responses to recommendations of the LHC report on special districts. The LHC plans to hold a roundtable discussion on June 22 with key stakeholders, including CALAFCO and some members of the ad hoc committee, in order to refine the recommendations it is drafting for its final report.

The LHC distributed to CALAFCO and other participants in the upcoming June 22 roundtable meeting a summary of their staff's potential recommendations the LHC will be considering. These potential recommendations (Attachment A) are a draft staff document and not an approved LHC document. The draft recommendations will be reviewed in detail by the LHC and stakeholders on June 22.

LAFCOs are focused primarily in the Governance section of the report, with one item in the Transparency section (#1). Under Governance, several of the recommendations are already in process (AB 979 addresses #7 and SB 448 addresses #6). The primary push is for the state legislature to stay away from local decisions overriding LAFCO authority and for LAFCOs to have greater funding. There are also some recommendations to increase LAFCO authority and for district accountability.

CALAFCO requested feedback from its member LAFCOs to assist with talking points and strategy for the June 22 roundtable. Your Executive Officer has been invited to participate

in the June 22 roundtable discussion and will provide an update to the Commission at the June 28 LAFCO meeting.

Summary of Bills

AB 545 (Bigelow R): *JPA Participation – El Dorado County Hospitals*

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.

AB 464 (Gallagher R): *Service Plan Amendment for Annexations with an Out-of-agency Service Agreement*

Last amended 3/14/2017

As amended, 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 will allow LAFCOs to continue to approve annexations of areas already receiving services via an out-of-area service agreement.

Staff sent a letter in support of AB 464 after direction from the Commission at the May 24 meeting.

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

Last amended 5/2/2017

AB 1725 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. Presently, the bill includes only one item, but the bill is expected to be amended later this year to add five more items, all of which were approved by the CALAFCO Legislative Committee.

As amended on May 2, the Omnibus bill now contains two of the CALAFCO approved items; four are still pending. The four remaining items will be added when the bill is

amended in the Senate. Staff sent a letter in support of AB 1725 after direction from the Commission at the May 24 meeting.

AB 1728 (Committee on Local Government): *Health Care Districts*

AB 1728 requires healthcare districts to adopt an annual budget on or before September 1 of each year, establish and maintain a website that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the districts provides assistance or grants. CALAFCO supports this bill.

There are no healthcare districts within El Dorado County; therefore, AB 1728 will not directly affect this LAFCO or any agencies under this LAFCO's jurisdiction.

SB 448 (Wieckowski D): *Inactive Districts*
Last amended 5/26/2017

As amended, SB 448 authorizes LAFCO to dissolve inactive districts by holding one hearing and without conducting a special study and with the waiver of protest proceedings. The bill creates an "idle" status for districts based on certain criteria, and authorizes LAFCO to dissolve idle districts under certain conditions.

The bill requires districts to conduct a biennial audit and submit to the State Controller's Office (SCO). The SCO will create a listing of idle districts based on those audits. Idle districts are defined as either: (1) no financial transactions and no revenue in the audit period; OR (2) district failed to submit the audit. The bill also adds a definition of inactive district as outlined in the bill. Once a district has been labeled idle, they have 180 days to file a statement of purpose with the SCO (criteria for content of the statement of purpose also outlined in the bill).

CALAFCO has expressed several concerns with the processes identified in the bill, the location (code section) being used to address these new LAFCO powers, and several other minor technical issues. CALAFCO will work with the author's office and key stakeholders on amendments.

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

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.

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. Your Executive Officer has an unrelated meeting set up with staff from Senator Gaines' office next week, but it is very likely that this bill will also be discussed.

Upcoming Legislative Dates

July 14: Last day for policy committees to hear and report fiscal bills to fiscal committees

July 21: Last day for policy committees to meet and report bills out of committee

July 22: Summer Recess begins

Aug. 21: Legislature Reconvenes

Attachments

Attachment A: Draft Potential LHC Recommendations-Staff Document

Attachment B: CALAFCO Legislation Report