

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**

DATE: May 27, 2015 for the meeting of June 4, 2015

ADMINISTRATION: None

PROJECT NOTES:

1. Staff continues to work with the El Medio Fire Protection District on a proposal to annex the Mooretown Rancheria. This will involve more discussions between the Tribe, the District and Butte County Fire/CalFire to develop a plan for services. Indirectly, the District is also working on a nexus study to allow the County to collect development impact fees on its behalf as well preparing to negotiate with the County for a share of property tax revenue for newly annexed territory.

2. Staff met with proponents of the Whisper Ridge Golf Course concerning the annexation of the territory into the South Feather Water and Power Agency. The project is expected to move forward this summer and the will need access to District water to proceed initially.

CALAFCO:

AWARDS: A call for nominations for the 2015 CALAFCO Achievement Awards has been circulated and are due by July 20, 2015. Commissioner Duncan serves on the Awards Committee. The awards categories are described in *Attachment 1* to this report.

LEGISLATION: The Legislative Committee remains busy reviewing changing legislation related to LAFCOs. Of the relevant proposed legislation, Butte LAFCo has taken the following positions to date:

AB 1532 (SUPPORT) - The CALAFCO Omnibus Bill makes non-controversial, non-substantive clean-up changes to the Cortese Knox Hertzberg Local Government Reorganization Act of 2000. The clean-ups are language/structure/reference clarifications affecting protest provisions, commission appointments and incorrect references to public agencies.

AB 402 (OPPOSE) - This bill expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence without finding a public health and safety threat exists, only if LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth inducement; and (3) a later change of organization is not feasible or desired based on local policies. CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. This is not a CALAFCO sponsored bill and CALAFCO has taken a "watch" position at this time. In essence, the bill subverts the current need to annex territories to serve them when no public health or safety issue exists. The Commission has opposed similar efforts in the recent past commenting that such extensions should be considered when amending/updating spheres of influence and ultimately be achieved through the formal annexation process that includes the potential for protest proceedings.

Amended May 18, 2015 - The amendments now make this bill a pilot program which sunsets January 1, 2021, and is limited to only the Napa, Sonoma, and San Bernardino commissions.

SB 239 (OPPOSE) - The bill which also proposes changes to GC 56133 that will target fire service extensions by requiring consultation with fire unions. CALAFCO is opposed to this bill. As amended, this bill still circumvents local District Board and LAFCo authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts between agencies. The bill calls for a Fire Protection Reorganization Contract to be submitted with the application, thereby confusing a service extension with a reorganization. It is required for applications that (1) Transfer greater than 25% of the service area or (2) Changes the employment status of more than 25% of employees of any affected agencies. Prior to submitting the application for service extension, all affected agency employee unions must approve the request and conduct a public hearing. The bill requires contents of the Contract Plan to include: (1) Cost of providing services to be extended; (2) Cost to customers; (3) an identification of existing service providers; (4) Financing plan; (5) Alternatives to the extension; and (6) A comprehensive Fiscal Analysis (CFA). It further requires the CFA to include (1) Cost to provide services for three years; (2) Cost comparison; (3) Estimated revenue for three years; and (4) Cost/revenue effects to any affected agency. The bill also outlines determinations the commission must make that include the provider of services for the extension of service will build a "reasonable reserve" during the three years following the effective date of the contract. This new requirement is highly subjective and ambiguous as it is undefined and further it sets a precedent. The amendments do little to address CALAFCO's primary concerns that this is not only bad policy, but unnecessary in that 56133 already addresses service extensions. Further, the bill continues to remove discretion from elected and appointed Boards of public agencies as well as from state agencies by requiring pre-approval of unions that are already fully protected by the Meyers Milias Brown Act (MMBA). The bill also requires a California state agency to apply for, and request LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. This sets another precedent. Finally, the bill addresses only one type of service provider, which fails to address the concern of why the provision of fire protection services, by contract or agreement, outside of a public agency's boundaries, requires a different level of review than other types of equally vital services or demands a heightened or weighted review from any commenter or affected agency.

UPDATE: The bill has been moved to the Senate Appropriations Suspense File. There has been some movement by the bill's supporters to consider removing the union approval concept if that would garner support from CALAFCO. However, there is no current consensus among LAFCOs to expand the role of LAFCO to review contracts/agreements between local agencies.

NEW - Budget Trailer Bill 825 - This very fast moving bill proposes to give the State Water Resources Control Board the authority to force a consolidation of public water, private and individual domestic water systems to address water shortages and water quality concerns. This bill is initiated by the Governor's Office in response to emergency drought conditions and imminent water system failures. The bill intends to bypass the current reorganization processes in the CKH Act and create a parallel process for the SWRCB to expedite agency consolidations/mergers. There are numerous concerns CALAFCO (and our sister associations) has shared with the Governor's staff and it remains a moving target. CALAFCO staff are currently preparing comments to the Governor's Office staff describing our concerns to date which will be shared with the Commission once completed.

GENERAL NOTES: None

APPLICATION ACTIVITY See Exhibit 1



2015 Achievement Award Nominations

CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until *Monday, July 20, 2015*, in the following categories:

Outstanding CALAFCO Member	Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.
Distinguished Service Award	Given to a member of the LAFCo community to recognize long-term service by an individual.
Most Effective Commission	Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.
Outstanding Commissioner	Presented to an individual Commissioner for extraordinary service to his or her Commission.
Outstanding LAFCo Professional	Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.
Outstanding LAFCo Clerk	Presented to a LAFCo Clerk for service above and beyond the call of duty.
Outstanding CALAFCO Associate Member	Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos, and has helped elevate the roles and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement.
Project of the Year	Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.
Government Leadership Award	Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.
Legislator of the Year	Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.
Mike Gotch Courage and Innovation in Local Government Award	Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.
Lifetime Achievement Award	Recognizes any individual who has made extraordinary contributions to the LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and/or demonstrated support in innovative and creative ways of the goals of LAFCos throughout California. At a minimum, the individual should be involved in the LAFCo community for at least ten years.

Exhibit 1 - APPLICATION ACTIVITY*Project Status As of May 27, 2015*

File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
11-22	Oroville	SOI Plan Update	06/21/12	N/A	11/06/14	N/A	N/A	Approved. Final being prepared
15-03	Butte County	CSA No 4 Expansion of Powers	10/06/14	10/13/14	03/05/15			Approved - Final being prepared
15-04	Oroville	South Oroville Annexation No. 1	10/27/14	12/09/14	02/05/15			Approved-Protest Hearing failed
15-05	Oroville	Lower Wyandotte Annexation No. 4	10/27/14	12/09/14	03/05/15			Approved - Processing
15-07	SFWPA	Railroad Ave. Annexation No. 2	12/15/14	01/07/15	02/05/15	03/26/15	05/04/15	Approved -
15-08	Biggs	MSR/SOI Plan Updates	01/29/15		pending			Incomplete
15-12	Buzztail CSD	Divestiture of Service	03/16/15		pending			Processing
15-13	Chico	Ext. of Services - 982 E. Lassen Ave	03/09/15	N/A	05/07/15	N/A	N/A	Denied
15-14	SFWPA	Foothill Blvd. Annexation No. 07	03/11/15	04/09/15	05/07/15			Approved
15-15	Chico	Ext. of Services - 769 Caprice Way	03/10/15	N/A	05/07/15	N/A	N/A	Approved
15-16	Butte County	CSA No. 120 Dissolution	04/10/15		pending			Withdrawn
15-17	Chico	Chapman Annexation No. 1	04/17/15		pending			Processing
15-18	Chico	Mulberry Annexation No. 1	04/17/15		pending			Processing
SP-57	LAFCo	Gateway at Butte Creek						Consultation