

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: June 24, 2015 for the meeting of July 2, 2015

ADMINISTRATION: Staff has distributed a call for nominations for a Special District *Alternate* Member to replace Wes Gilbert who recently resigned his position on the Butte County Resource Conservation District's board, therefore, his seat on LAFCO has been vacated. The nomination period will be open through August 28, 2015 after which the Executive Officer will conduct a mailed ballot election. The existing term for the *Alternate* Member will expire in May of 2017.

PROJECT NOTES: None

CALAFCO:

STAFF: The CALAFCO Executive Director has been notified of the Commission's support allowing the Butte LAFCo Executive Officer to serve as the CALAFCO Executive Officer for a two year term. The CALAFCO Board is expected to confirm the appointment at its July 30, 2015 meeting.

BOARD OF DIRECTORS: Staff has prepared the nominations for Commissioners Duncan and Connelly to serve 2 year terms on the CALAFCO Board. Nominations are due by August 2, 2015.

AWARDS: Staff is preparing nominations for both the Most Effective Commission Award and the Project of the Year Award for consideration. Nominations are due by July 20, 2015.

LEGISLATION:

NEW - SB88 and AB115 (replaced Budget Trailer Bill 825) - Budget Trailer Bill 815 was replaced by SB88 and AB115. Both bills passed out of the legislature on June 18/19 and are headed to the Governor for signing. These bills will give the State Water Resources Control Board the unprecedented authority to force a consolidation of public water, private and individual domestic water systems to address water shortages and water quality concerns related to disadvantaged unincorporated communities. The bill intends to bypass the current reorganization processes in the CKH Act and create a parallel process for the SWRCB to expedite agency service extensions/consolidations/mergers. At the Commission's direction, oppose letters (*Attachment 1*) were sent to our legislators (Dahle, Gallagher, Nielson) and to the affected legislative committee staff. Despite significant opposition from numerous local government associations, the bills passed on party line votes and the Governor is expected to sign both bills.

GENERAL NOTES: None

APPLICATION ACTIVITY See Exhibit 1



BUTTE LOCAL AGENCY FORMATION COMMISSION

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June 15, 2015

The Honorable Jim Nielson
California State Senate
State Capitol Room 4062
Sacramento, CA 95814

Sent Via Fax: 916-651-4904

RE: Water System Consolidation Budget Trailer Bill 825 – OPPOSE

Dear Senator Nielson:

The Butte Local Agency Formation Commission (Butte LAFCo) respectfully opposes Budget Trailer Bill (TB) 825.

TB 825 would grant the State unprecedented unilateral power to take ownership and operation of a water system from one entity and force it upon another. It does so with no guarantee the State will cover the costs and no protections for existing ratepayers.

This proposal represents a major change in law and public policy and yet is not being heard through the regular policy committee process. Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input.

Although framed as a response to the drought, the new State powers under TB 825 have no sunset date and are in no way limited to the drought state of emergency. Solutions already exist for addressing water systems that fail to provide safe drinking water. Local Agency Formation Commissions (LAFCOs) already have the authority to respond to and remedy existing and pending threats to public health and safety through Government Code Section 56133, and the state has the authority to exercise receivership in Health & Safety Code, Section 116665.

Consolidation of essential local services, such as water systems, is a highly complex endeavor with a multitude of long-lasting health, fiscal and legal consequences. Ill-conceived alterations to this area of law could exacerbate, rather than resolve, the plight of communities. LAFCOs have existed for 52 years for the purpose of determining at the local level how to best organize local agencies. We believe that to completely transfer that responsibility to a state agency without that expertise and through a process that ignores the existing statutory structure for such reorganization would not be the best possible policy. For these reasons we respectfully request you reject TB 825.

Sincerely,

Steve Lucas

Stephen Lucas
Executive Officer

CC: Office of Governor Edmund G. Brown, Jr. (fax: 916-558-3160)
Catherine Freeman, Senate Budget and Fiscal Review Committee (fax: 916-668-7004)
Rocel Bettencourt, Senate Republican Caucus (fax: 916-445-3105)
Gabrielle Meindl, Assembly Budget Committee (fax: 916-319-2199)
Chris Holtz, Assembly Republican Caucus (fax: 916-319-3902)
California Association of Local Agency Formation Commissions (fax: 916-442-6535)

Exhibit 1 - APPLICATION ACTIVITY*Project Status As of June 24, 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	05/14/15	07/02/15			Processing
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	05/17/15	07/02/15			Processing
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15			Processing
15-19	Chico	Ext. of Services - Non Compliant Parcels	05/12/15	N/A	pending	N/A	N/A	
15-20	Chico	West Sacramento Ave Annexation	06/10/15	06/23/15	pending			
SP-57	LAFCo	Gateway at Butte Creek						Consultation