

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: November 24, 2015 for the meeting of December 3, 2015

ADMINISTRATION: The annual audit conducted by KCOE ISOM (previously known as Matson Isom) is expected to begin in December with the final audit prepared and submitted to the Commission in February.

PROJECT NOTES:

1. Staff met with the Thermalito Water and Sewer District (TWSD) to discuss the possible annexation of State Parks lands being utilized for off-road vehicle use. This area, referred to as the Clay Pit State Vehicular Recreation Area, is located just south of the Oroville airport and contiguous to District boundaries. The District would be providing water and sewer services for proposed facilities at the site. We also discussed the process for the District becoming a Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA) and the process for Updating the District's Sphere of Influence.

CALAFCO:

1. The Executive Officer acting as CALAFCO EO attended a workshop in Williams on November 20, 2015 at the invitation of the Governor's Office of Planning and Research (OPR). The purpose of the workshop was for OPR to solicit local feedback on the implementation of the California Water Action Plan (WAP) which lays out actions that the State is committed to taking over 5 years to move California onto a sustainable water management path. The WAP includes direction to develop recommendations to improve alignment of land use planning with sustainable water management. OPR is particularly interested in understanding what would help local practitioners to achieve alignment that makes their local community more efficient and resilient. The workshops are invitation only and designed to be small in size to provide ample opportunity for discussion. OPR will develop recommendations based on these workshops and other discussions around the state and with state agencies. CALAFCO has been specifically requested to participate in each of these workshops and the implementation of preferred actions. The overarching and consistent theme of comments was for the State to make its preferences clear for water management objectives but allow local agencies to identify and implement local actions with adequate state funding.
2. The CALAFCO Board of Directors met Friday, November 13, 2015 in Sacramento. Both Commissioners/Directors Connelly and Duncan attended along with the Executive Officer. A full summary of the meeting is attached as Attachment 1.
3. On November 9, 2015, the Executive Officer moderated the CALAFCO University Course - Implementing SB88 - Water District Consolidations: What Does It Mean for LAFCO? The course was very informative and well attended. LAFCo staff from around the state heard from officials from the State Water Board and the Governors Officer of Planning and Research concerning LAFCo's role vis-à-vis the state in seeking consolidations of local water districts. The general take-away message for attendees and panelists alike was that the legislation was far too general in direction and will be extremely difficult to implement without local LAFCo participation. Essentially the SWRCB was given the authority to force one water provider to provide water services to a poorly functioning water provider nearby. Unfortunately, the

legislation provided no direction as to the mechanics of doing so and did not follow long established LAFCO processes to process such consolidations. The only role for LAFCO was to provide comments to the SWRCB when solicited. The real problems are not necessarily the physical infrastructure extensions, but how to provide blended governance, redraw boundaries and spheres of influence, negotiate tax exchange agreements, update municipal service reviews and numerous other administrative processes to ensure good governance practices.

LEGISLATION: The new legislative session is now underway and bills are being formulated for consideration. CALAFCO will focus on clean-up legislation to SB88 which gave authority to the State Water Resources Control Board (SWRCB) to consolidate failing water agencies, an Omnibus bill that will address non-substantive changes in Cortese Knox Hertzberg Local Government Reorganization Act (CKH), and legislation to require Joint Powers Authorities to notify LAFCO of their existence.

GENERAL NOTES: None

APPLICATION ACTIVITY See Attachment 2

Attachments: 1. CALAFCO Quarterly - November 2015
2. Application Activity Report

News from the Board of Directors

CALAFCO QUARTERLY

November 2015



CALAFCO Board 2016 Committees

At their November 13 meeting, the CALAFCO Board appointed members to the 2016 standing committees as follows:

Legislative Committee

Jim Curatalo (South)
Shiva Frentzen (Central)
William Kirby (At-Large)
John Leopold (Coastal)
Mike McGill (At-Large)
Ricky Samayoa (North)

Gay Jones (a) (Central)
Michael Kelley (a) (South)
Anita Paque (a) (At-Large)
Sblend Sblendorio (a) (Coastal)
Josh Susman (a) (North)

Nominations Committee

Bill Connelly
James Curatalo (Chair)
John Marchand
Anita Paque

Awards Committee

Cheryl Brothers
Larry Duncan (Chair)
Michael Kelley
William Kirby
John Leopold

2016 Annual Conference

Gay Jones
Gerard McCallum
Sblend Sblendorio (Chair)
Josh Susman

Conferences and Workshops Update

2015 ANNUAL CONFERENCE A SUCCESS



A final Conference report was provided to the Board on November 13. Participant evaluations rated the overall experience a 5.2 out of 6.0, and there was an evaluation return rate of approximately 38%, which is the highest ever received. Financially, the Conference was successful in that revenues slightly exceeded budget and expenses were lower than budgeted. Overall, it appears a net profit of approximately 34% was earned, which exceeds the Association's policy of 15%. This year, \$18,738 was received in Conference Sponsorships.

Total attendance was 252 registrants with 11 guests and 17 guest speakers, for a total of 280. CALAFCO wishes to once again thank our Conference host, **Sacramento LAFCo**, and program committee chair **David Church**, along with everyone who helped to plan and execute this year's Annual Conference. All Conference materials are posted on the CALAFCO website.

2016 STAFF WORKSHOP

Plans are underway for the 2016 Staff Workshop. Our host this year is **Los Angeles LAFCo** and we will be at the Hilton Universal City. The Workshop is set for March 30 - April 1. The theme is **JEOPARDY: What is the Evolving Role of LAFCo?** A special Mobile Workshop panel and tour is planned at Universal Studios to learn about the NBC Universal Evolution Plan, Alt. No. 10: No Residential Alternative, and the program planning committee and host LAFCo are planning a fun

surprise for our luncheon and dinner entertainment! Look for program and registration details coming soon.

2016 ANNUAL CONFERENCE

The program planning committee is being formed to begin planning the program for the next Annual Conference. The dates are **October 26 - 28, 2016**. We will be hosted by the **Santa Barbara LAFCo** and will be at the Fess Parker DoubleTree by Hilton. Planning for this conference will get underway shortly.

CALAFCO U Update

The final CALAFCO U for 2015 was held in Sacramento on November 9. The topic was **Implementing SB 88 - Water System Consolidations: What Does It Mean For LAFCo?** Panelists included staff from the State Water Resources Control Board (SWRCB) and the Governor's Office of Planning and Research (OPR). After hearing about the functions of the SWRCB, an overview of SB 88 and how the SWRCB plans to implement the legislation, attendees had an opportunity, in small group discussions, to provide the panel feedback on potential issues, how we see LAFCo involved in the implementation, and what would be needed in order to make that work. This information is being collated and will be presented back to the SWRCB and OPR, and used by CALAFCO to work on clean-up legislation this coming year. There were a total of 34 people in attendance. Initial evaluation results indicate the session was very well received.

CALAFCO Board Actions

The Board met on November 13 and took the following administrative actions:



- ◆ Made Board Committee appointments as noted above;
- ◆ Received and filed the 1st Quarter financial reports indicating the Association continues to be in strong fiscal health;
- ◆ Renewed the contract of CALAFCO's Administrator Jeni Tickler for another three years;
- ◆ Renewed the Executive Director's contract for three years, and approved the change in compensation to account for an average of 32/hrs. week as part of that contract renewal (as previously approved by the Board and reported to the membership);
- ◆ Adopted a revised FY 2015-16 budget based on all of the Board's organizational changes made at their July 31 meeting;
- ◆ Approved the recommended 2016 Legislative Committee staff appointments;
- ◆ Reviewed the Association's current Legislative Policies, which resulted in no recommendations for potential changes; and



- ◆ Received the request for consideration of a CALAFCO Code of Ethics Policy, and supported the idea of a subcommittee creating a draft policy for the Board's review and consideration at their February 2016 meeting.

CALAFCO Legislative Update

2016 will be the second year of the two-year legislative cycle. The Legislative Committee (Committee) held its first meeting via conference call November 6 with the first in-person meeting set for December 11 in Sacramento. While the legislature is currently out of session, there is a lot of work going on behind the scenes.



During the legislative recess, CALAFCO's work with OPR and the SWRCB continues. OPR has been holding a series of land use and water workshops along with rural communities workshops, planning six across the state over the past two months or so. While attendance to these workshops is by OPR invitation only, CALAFCO has ensured at least one LAFCo has been present at each one.

CALAFCO conducted a two-part series of LAFCO 101 in the Capitol for legislative staff the first two weeks of November. While attendance was lower than anticipated, those that did attend took away an enlightened understanding of LAFCO authority.

During their November meeting, the Board took a great deal of time deliberating the Legislative Committee's feedback of potential legislative priorities for 2016 during their November 13 meeting. The outcome of those deliberations was a general consensus of the priorities for 2016 which will be reported back to the Legislative Committee during their December 11 meeting. Those priorities include maintaining a focus on potential legislation to strengthen the relations between LAFCos and JPAs, limiting the number of items that are contained within the 2016 annual Omnibus bill, and focusing efforts in participating in (but not sponsoring) legislation to clean up SB 88. The Board further restated their intention to sponsor legislation on amending Protest Provisions, with the focus as a priority for the 2017-2018 legislative session (rather than in 2016). The Board acknowledged other priorities are not able to be considered at this time due to CALAFCO's resource limitations.

A full detailed legislative tracking report can be found on the CALAFCO website in the Members Only section.



CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.



Earlier this year CALAFCO highlighted three of our Gold Associate Members. In this edition we highlight the rest of our current Gold Associate Members.



Meyers Nave

Meyers Nave is a law firm dedicated to providing California's public agencies both general counsel and specialized services in matters involving land use, annexations, incorporations, labor and employment, Brown Act, telecommunications, eminent domain and other critical areas. **Meyers Nave** has been a Gold Associate Member since February 2006. Learn more about **Meyers Nave** at www.meyersnave.com.



Project Resource Specialists



Project Resource Specialists provides management and legislative support to all levels of local government including LAFCo for Municipal Service reviews, agency organization and project management support. Beginning as a Silver Associate Member in May 2007, they became a Gold Associate Member in July 2014. Learn more about Project Resource Specialists by emailing them at ehrichprs@gmail.com.

CALAFCO wishes to thank all of our Associate Members for your support and partnership. We look forward to continuing to highlight our Associate Members in each Quarterly Report.

Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee meeting, December 11, 2015, Sacramento
- ❖ CALAFCO Legislative Committee meeting, January 22, 2016, San Diego
- ❖ CALAFCO Board of Directors meeting, February 5, 2016, Irvine

Look for a 2016 calendar of events coming in December.



Attachment 2 - APPLICATION ACTIVITY								
<i>Project Status As of November 23, 2015</i>								
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
15-08	Biggs	MSR/SOI Plan Updates	01/29/15		pending			Processing
15-12	Buzztail CSD	Divestiture of Service	03/16/15	05/14/15	07/02/15	N/A	N/A	Completing MSR/SOI Update
15-17	Chico	Chapman Annexation No. 1	04/17/15	05/17/15	07/02/15			Processing- To be Recorded 7/2020
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15			Processing- To be Recorded 7/2020
15-19	Chico	Ext. of Services - Non Compliant Parcels	05/12/15	N/A	09/09/15	N/A	N/A	Approved - Processing
15-20	Chico	West Sacramento Ave Annexation	06/10/15	06/23/15	09/09/15	10/15/15	10/21/15	Approved - Processing
15-21	Chico	Ext. of Services - 716 Oak Lawn Avenue	07/13/15	N/A	09/09/15	N/A	N/A	Approved
15-22	Chico	Ext. of Services - 2273 East 8th Street	06/25/15	N/A	09/09/15	N/A	N/A	Approved
16-01	Chico	Ext. of Services - 1437 Glenwood Ave	10/22/15	N/A	12/03/15	N/A	N/A	processing
16-02	Chico	Ext of Services - 14 San Gabriel Dr	11/10/15	N/A	pending	N/A	N/A	processing
SP-57	LAFCo	Gateway at Butte Creek						Consultation