

## 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:** April 26, 2018 for the meeting of May 3, 2018

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### ADMINISTRATION:

1. With the resignation of Commissioner Onken (Special District -Enterprise Regular member) at the April meeting, Staff requested nominations to complete Mr. Onken's term through May 2019 and will conduct an election if necessary.
2. In cooperation with the County Administration and Auditor, Staff conducted a special district election for a representative to the Consolidated Redevelopment Agency Oversight Board for Butte County. This is a mandated (2015 - SB 107) responsibility for the LAFCO Executive Officer who acts to coordinate special district voting absent an Independent Special Districts Selection Committee which is not constituted in Butte County. Nominations were requested from eligible districts resulting in the nominations of Bob Malowney (Chico Area Recreation and Park District) and Al McGreehan (Paradise Recreation and Park District). The election period closed April 23, 2018 with the receipt of 5 ballots, which does not represent a quorum (8) of eligible voting districts. Staff has extended the voting period an additional 30 days.

### PROJECT NOTES:

1. The Draft Oroville Region Water Study is progressing. The goal of the Study is to provide the general public a collection of easily understandable comparable data in order to effectively participate in future community discussions about water services. Outreach and information collection has been ongoing and it is anticipated the Study will be in public review draft by the end of April. The consultant has experienced unexpected delays in obtaining necessary information from one agency that has set the process back a few weeks.
2. Following the adoption of the Municipal Service Review and Sphere of Influence Plan for Mosquito Abatement Districts in Butte County in December 2017, Staff has continued to pursue the desired outcomes as follows.

Butte County Mosquito and Vector Control District/Oroville Mosquito Abatement District

Staff has been notified that the Board of Directors of Oroville Mosquito Abatement District (OMAD) has agreed to a contract proposal from the Butte County Mosquito and Vector Control District (BCMVCDD) to provide mosquito abatement and vector control services within the OMAD boundaries for the 2018 mosquito and vector control season (3/1-10/31) for the sum of \$146,500.00, or \$18,312.50 per month for the approximate eight months of the season. The contractual period will allow the BCMVCDD to become familiar with the OMAD service area and community expectations which will be immensely helpful to the anticipated reorganization whereby OMAD will dissolve and its territory annexed into the BCMVCDD.

**CALAFCO:** Staff attended the 2018 CALAFCO Staff Workshop April 10-13, at which both legal counsel and the Executive Officer participated in panel presentations. Big issues discussed included water supply planning and the implementation of the Sustainable Groundwater Management Act (SGMA); agricultural preservation policies, and current legislative matters.

**LEGISLATION:** CALAFCO has a full legislative plate this session. A complete listing of CALAFCO tracked bills is provided in the CALAFCO Legislative Report (**Attachment 1**) broken down into our three priority levels.

**GENERAL NOTES:** None

**APPLICATION ACTIVITY**

<b>APPLICATION ACTIVITY</b>								
<i>Project Status As of April 25, 2018</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
15-17	Chico	Chapman Annexation No. 1	04/17/15	05/17/15	07/02/15			To be Recorded 7/2020
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15			To be Recorded 7/2020
17-04	Chico	MSR-SOI Plan Update		NA		NA	NA	Letter agreement Oct. 2015
17-11	Oroville	Oroville Region Domestic Water Study	N/A	N/A	03/02/17	N/A	N/A	In progress - RFP sent/No responses
18-03	LAFCO	Drainage Districts - MSR/SOI Plan Update	N/A	N/A	pending	N/A	N/A	In progress
18-04	Durham I. D.	MSR/SOI Plan Update	10/04/17	N/A	pending	N/A	N/A	
18-05	BCMVCD	Rice Fields Annexation	04/10/18		pending			In progress
18-07	LAFCO	RCD MSR/SOI Plan Update	N/A	N/A	pending	N/A	N/A	In progress
18-09	TWSD	Clay Pit State Recreation Area Annexation						On hold. Incomplete Application
18-10	PID	Round Valley Ranch Rd Annexation No. 1	03/12/18	04/28/18	05/03/18			In progress
18-11	LOAPUD	Oak Knoll Way Annexation No. 1	03/29/18	04/09/18	05/03/18			

Attachments: CALAFCO Legislative Report dated April 25, 2018

**CALAFCO Daily Legislative Report  
as of Wednesday, April 25, 2018**

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**[AB 2050](#) (Caballero D) Small System Water Authority Act of 2018.**

**Current Text:** Amended: 4/17/2018 [html](#) [pdf](#)

**Introduced:** 2/6/2018

**Last Amended:** 4/17/2018

**Status:** 4/18/2018-Re-referred to Com. on L. GOV.

**Calendar:** 4/25/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:** Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

**Position:** Watch

**Subject:** LAFCo Administration, Municipal Services, Water

**CALAFCO Comments:** This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water system. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency. CALAFCO met with the sponsors several times and they indicate a desire to work with LAFCos on creating a workable process. We have provided feedback including content of a proposal for service, feedback on the timing and process of dissolution and formation, amended language to ensure LAFCo funding, and several other things. It is our understanding that LAFCo will lack any discretion in the dissolution of any public water agency mandated by the SWRCB and the formation of a new entity as mandated by the SWRCB. CALAFCO will continue to work with the sponsors and author.

**[AB 2238](#) (Aguiar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.**

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/3/2018

**Status:** 4/19/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 18). Re-referred to Com. on APPR.

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would require the commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

**Position:** Watch

**Subject:** Climate Change, Growth Management

**CALAFCO Comments:** This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal. The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element. This bill is in response to

the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

**AB 2258 (Caballero D) Local agency formation commissions: grant program.**

**Current Text:** Amended: 4/23/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/23/2018

**Status:** 4/24/2018-Re-referred to Com. on APPR.

**Summary:** Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

**Attachments:** [CALAFCO Support March 2018](#) ; [CALAFCO Support March 2018](#)

**Position:** Sponsor

**Subject:** Other

**CALAFCO Comments:** This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCo's one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on December 31, 2023. The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or reorganization pursuant to this section, the threshold would be 25% rather than 10%, in accordance with Government Code Section 57075. A separate budget ask of \$2 million over 5 years is being done as a companion to this bill.

**AB 2600 (Flora R) Regional park and open space districts.**

**Current Text:** Introduced: 2/15/2018 [html](#) [pdf](#)

**Introduced:** 2/15/2018

**Status:** 4/23/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** Would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

**Attachments:** [CALAFCO Support March 2018](#)

**Position:** Support

**CALAFCO Comments:** This bill would expand the process of initiating the formation of a regional park and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact. The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

**[AB 3254](#) (Committee on Local Government) Local government organization: omnibus.**

**Current Text:** Introduced: 3/14/2018 [html](#) [pdf](#)

**Introduced:** 3/14/2018

**Status:** 3/22/2018-Referred to Com. on L. GOV.

**Calendar:** 5/9/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms “affected territory” and “inhabited territory.” This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act.

**Attachments:** [CALAFCO Support](#)

**Position:** Sponsor

**CALAFCO Comments:** This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO. Amendments are pending to add several items.

**[SB 1215](#) (Hertzberg D) Provision of sewer service: disadvantaged communities.**

**Current Text:** Amended: 4/12/2018 [html](#) [pdf](#)

**Introduced:** 2/15/2018

**Last Amended:** 4/12/2018

**Status:** 4/20/2018-Set for hearing April 25.

**Calendar:** 4/25/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

**Summary:** Would authorize the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the state board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

**Position:** Watch With Concerns

**Subject:** Disadvantaged Communities, Water

**CALAFCO Comments:** This bill would authorize the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same or drinking water systems. CALAFCO raised a number of concerns to the author's office and the sponsor (Leadership Council for Justice & Accountability). We continue to work with the author, sponsor, SWRCB and CASA.

**[SB 1499](#) (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 3/1/2018 [html](#) [pdf](#)

**Introduced:** 3/1/2018

**Status:** 4/23/2018-Referred to Com. on L. GOV.

**Calendar:** 5/9/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:** Would enact the Third Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:** [CALAFCO Support March 2018](#)

**Position:** Support

**Subject:** LAFCo Administration

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**[AB 2268](#) (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Amended: 4/16/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/16/2018

**Status:** 4/17/2018-Re-referred to Com. on APPR.

**Summary:** for the 2018–19 fiscal year, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 fiscal year to

the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

**Position:** Support

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will **reinstate ERAF funding for inhabited annexations.**

**[AB 2491](#) ([Cooley D](#)) Local government finance: vehicle license fee adjustment amounts.**

**Current Text:** Amended: 4/2/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amended:** 4/2/2018

**Status:** 4/12/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 11). Re-referred to Com. on APPR.

**Calendar:** 4/25/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:** Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

**Attachments:** [CALAFCO Support March 2018](#)

**Position:** Support

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

**[AB 2501](#) ([Chu D](#)) Drinking water: consolidation and extension of service.**

**Current Text:** Amended: 4/17/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amended:** 4/17/2018

**Status:** 4/18/2018-Re-referred to Com. on E.S. & T.M.

**Summary:** The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines “disadvantaged community” for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine “disadvantaged community” for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

**Position:** Watch

**Subject:** Disadvantaged Communities, Water

**[AB 3023](#) ([Medina D](#)) California Environmental Quality Act.**

**Current Text:** Amended: 3/19/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2018

**Last Amended:** 3/19/2018

**Status:** 3/20/2018-Re-referred to Com. on NAT. RES.

**Summary:** Would require lead agencies to post the notices required by CEQA and any environmental review document for a project on their Internet Web sites, if any, or to submit those notices and environmental review documents to the State Clearinghouse for inclusion in the database as specified. Because this bill would impose additional duties on lead agencies, this bill would impose a state-mandated local program.

**Position:** Watch

**Subject:** CEQA

**[AB 2179](#) ([Gipson D](#)) Municipal corporations: public utility service: water and sewer service.**

**Current Text:** Introduced: 2/12/2018 [html](#) [pdf](#)

**Introduced:** 2/12/2018

**Status:** 3/1/2018-Referred to Com. on L. GOV.

**Calendar:**

5/9/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:** Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

**Position:** Watch

**Subject:** Municipal Services

**AB 2339 (Gipson D) Water utility service: sale of water utility property by a city.**

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/3/2018

**Status:** 4/12/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 11). Re-referred to Com. on APPR.

**Calendar:** 4/25/2018 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:**

Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

**Position:** Watch

**Subject:** Water

**SB 623 (Monning D) Water quality: Safe and Affordable Drinking Water Fund.**

**Current Text:** Amended: 8/21/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amended:** 8/21/2017

**Status:** 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

**Summary:**

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

**Position:** Watch

**Subject:** Water

**SB 778 (Hertzberg D) Water systems: consolidations: administrative and managerial services.**

**Current Text:** Amended: 7/13/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amended:** 7/13/2017

**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

**Summary:** Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

**Position:** Watch

**Subject:** Municipal Services

**SB 929 (McGuire D) Special districts: Internet Web sites.**

**Current Text:** Amended: 3/6/2018 [html](#) [pdf](#)

**Introduced:** 1/25/2018

**Last Amended:** 3/6/2018

**Status:** 4/23/2018-Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Summary:** The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

**Position:** Watch

Total Measures: 24

Total Tracking Forms: 24

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