



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 945343
(707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: June 8, 2015

TO: Local Agency Formation Commission

FROM: Elliot Mulberg, Executive Officer

SUBJECT: Continued April Legislative Report

- Recommendation:
- 1) The Commission adopt the legislative platform for Solano LAFCO.
 - 2) The Commission adopt the proposed Solano LAFCO policy for taking positions on Legislation when time does not allow approval by the Commission at a regular meeting.
 - 3) The commission send a letter of support for AB 1532 and AB 851.

Background:

At the April meeting the Commission continued the Legislative Report and formed a Legislation Committee to review the bills and determine if Solano LAFCO should follow-up with letters of support or opposition. The April Legislative Report is attached as Attachment A.

The Legislation Committee met on May 28. The minutes of that meeting are Attachment B. The Committee recommended that the Commission adopt a legislative platform and a policy on supporting or opposing legislation. The legislative platform mirrors the CALAFCO legislative platform and essentially follows mandates of Cortese-Knox-Hertzberg and Solano LAFCO Standards. The platform is included as Attachment C to this report.

The policy on supporting or opposing legislation states that following the legislative platform the Commission will support or oppose legislation at its regular Commission meetings if the bills are relevant to Solano County. There may be times in between regular Commission meetings when Solano LAFCO receives requests for a position on legislation that can't wait until there is a commission meeting for a response. In that case the policy allows for the Executive Officer to submit position letters upon consultation with the Chair or Vice Chair.

Since the Commission last met in April the CALAFCO sponsored legislation is moving through the legislative process. AB 851 has moved on to the Senate and AB 1532 is on the floor of the

Assembly. AB 402 which would have made changes to GC 56133 has been amended to be a pilot project for San Bernardino, Napa, and Sonoma LAFCOs until 2021. SB 239 has passed out of the Senate Appropriations Committee and is currently on the Senate Floor for approval.

Table 1 shows the status and positions of key agencies associated with LAFCO, CALAFCO, California State Association of Counties (CSAC), California League of Cities, and California Special District Association (CSDA). The table is current as of June 1.

Table 1: Bill Status 6/1/15

Bill Number	Author	Status	CALAFCO	CSAC	League of Cities	CSDA
AB 1532	Com LG	Senate Rules	Sponsor	Watch		Watch
AB 402	Dodd	Senate Rules	None	Watch	Watch	Concerns
AB 448	Brown	Assembly Floor	Support	Pending	Support	
AB 656	Garcia	Senate Rules	Watch	Pending	Watch	Watch
AB 707	Wood	Senate Rules	Watch	Support	Watch	Watch
AB 851	Mayes	Senate Rules	Sponsor	Support	Watch	Watch
SB 239	Hertzberg	Senate Floor	Oppose	Oppose	Oppose	Oppose
SB 25	Roth	Senate Floor	Support	Support	Support	
SB 272	Hertzberg	Assembly Judicial & Local Gov	Watch	Watch	Watch	Concerns

Recommendation:

1. The Legislation Committee recommends the Commission adopt
 - a. The Solano LAFCO legislative platform
 - b. The policy for sending position letters when there is no regular Commission meeting.
2. Staff recommends Solano LAFCO send support letters for CALAFCO sponsored legislation AB 1532 and AB 851 which are consistent with the legislative platform and policies.

Attachments:

Attachment A – April Legislative Report

Attachment B - Legislation Committee of May 28, 2015 minutes

Attachment C – Proposed Solano LAFCO Legislative Platform

Attachment D – Proposed Solano LAFCO Policy on sending support or opposition letters



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Staff Report

DATE: April 13, 2015
TO: Local Agency Formation Commission
FROM: Elliot Mulberg, Executive Officer
SUBJECT: **Legislative Report**

Recommendation: That the Commission receive and file this report and direct staff to write letters of support for CALAFCO sponsored bills AB 1532 and AB 851.

Discussion:

Our legislative report is broken up into five subject areas. They each include bills that CALAFCO is supporting or bills of interest to Solano LAFCO.

There are a couple bills relating to 56133, out of area service agreements. AB 402 (Dodd) would create another avenue for a district or city to provide out of area services. The bill adds three criteria 1) the deficiency of services was identified in an MSR; 2) the extension of service will not result in adverse impacts on open space or agricultural lands or have growth inducing impacts; and 3) a later change of organization is not feasible or desirable based on adopted commission policies.

The other bill, SB 239 (Hertzberg), would provide that extending fire service outside district boundaries should be considered a change of organization for LAFCO purposes. In addition before submitting the application to LAFCO the agency must receive written agreement from the labor unions. This bill essentially gives veto power to unions for out of area services. Typically automatic aid and mutual aid agreements have not been before LAFCO.

CALAFCO has sponsored AB 851 (Mayes) and AB 1532 (Committee on Local Government). AB 851 updates CKH on the disincorporation process. AB 1532 is the CALAFCO omnibus bill which proposes non-controversial changes to CKH such as making the language more consistent throughout the act. CALAFCO requests we send a letter supporting these bills. Sample letters supporting AB 851 and AB 1532 are included in the attachment. Our support letters will be similar to those in the attachment.

Two bills address financial viability of agencies. AB 448 (Brown) and SB 25 (Roth) both deal with Vehicle License Fees (VLF) reinstatement. AB 448 is identical to AB 1521 (Fox) from last year. This bill reinstates

the VLF payment and changes the way that the growth in the VLF adjustment amount is calculated starting in FY 2015-16 to include the growth of assessed valuation in an annexed area from FY 2004-05 to FY 2015-16. SB 25 is identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. CALAFCO has taken a support position on both bills.

Other bills relate to water issues. AB 656 (Garcia, Cristina) allows mutual water companies to enter in joint powers agreements with other agencies. Solano County has one mutual that might be affected, Cresta Mesa Parque Mutual Water Company, located north of Rockville Rd. between Green Valley Rd. and Suisun Valley Rd.

Other proposed legislation further defines the process of how to comply with last year's groundwater management legislation. LAFCOs were not given any responsibility or authority under the 2014 legislation so SB13 (Pavley) and SB 226 (Pavley) are included in case Commissioners want to follow the process.

As of March 31, 2015

Out of Area Service Agreements

AB 402 (Dodd D) Local agency services: contracts.

Status: 3/2/2015-Referred to Com. on L. GOV.

Summary:

Would allow a local agency formation commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also make technical and conforming changes.

CALAFCO Comments: As written, this bill expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCo can make three findings at a noticed public hearing. 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; and (3) a later change of organization is not expected or desired based on local policies. Further, the bill clarifies LAFCo's sole authority in determining the application of the statute, and deemphasizes the approval of contracts and emphasizes the approval of service extensions.

Position: Watch

SB 239 (Hertzberg D) Local services: contracts: fire protection services.

Current Text: Amended: 3/23/2015

Status: Hearing April 15. SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary: SB 239 reclassifies the act of contracting for the extension of fire protection services outside of the district's service area as a "change of organization" for LAFCO purposes, and requires the LAFCO to conduct a fiscal analysis. Prior to submitting an application to LAFCO, the agency must obtain a written agreement from the recognized employee organization that represents firefighters.

CALAFCO Comments: As amended, this bill will circumvent 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. Further, as written, these changes will require CEQA review. The bill sets a precedent for fire unions to have the final authority to approve fire-related service extensions, thereby opening the door for all other service-related unions to have the same authority. In addition, the bill requires a comprehensive fiscal analysis for service extensions, which is now only required for incorporations. Finally, the proper government code section relating to service extensions is 56133, which is where any changes to service extension process should be addressed.

Position: Oppose

CKH General Procedures

AB 851 (Mayes R) Local government: organization: disincorporations.

Status: 3/16/2015-Referred to Com. on L. GOV.

Summary: Would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified. This bill contains other related provisions and other existing laws.

CALAFCO Comments: Sponsored by CALAFCO. As introduced, this bill addressed the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963. The most recent disincorporation through the LAFCO process was for the City of Cabazon in 1972.

This bill does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. Further, the bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.

Position: Sponsor

AB 1532 (Committee on Local Government) Local government: omnibus.

Status: 3/24/2015-From printer. May be heard in committee April 23.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district. This bill would update obsolete references to a "hospital" district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.

CALAFCO Comments: This is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000. This bill makes non-substantive technical clean-up corrections to the Act.

Position: Sponsor

Financial Viability of Agencies

AB 448 (Brown D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Status: Hearing 4/15/2015 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHIN, Chair

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

CALAFCO Comments: As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation.

Position: Support

SB 25 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Status: Hearing April 8. SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary: Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

CALAFCO Comments: Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

Position: Support

Water

AB 656 (Garcia, Cristina D) Joint powers agreements: mutual water companies.

Status: 3/9/2015-Referred to Com. on L. GOV.

Summary: Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

CALAFCO Comments: As written, the bill gives the ability to two or more mutual water companies, or a mutual water company and a public agency to enter into a joint powers agreement. The bill limits the purpose of such a joint powers agreement to either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

Position: Watch

SB 13 (Pavley D) Groundwater.

Last Amended: 2/24/2015

Status: 3/24/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 1.) (March 24). Re-referred to Com. on APPR.

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

CALAFCO Comments: While this bill has no direct effect on LAFcos, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will watch the bill.

Position: Watch

SB 226 (Pavley D) Sustainable Groundwater Management Act: groundwater rights.

Status: Hearing April 14 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair.

Summary: Would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified.

CALAFCO Comments: This is a spot bill to address groundwater rights relating to the new Sustainable Groundwater Management Agencies.

Position: Placeholder – monitor

Other

AB 707 (Wood D) Agricultural land: Williamson Act contracts: cancellation.

Status: Hearing 4/15/2015 ASSEMBLY AGRICULTURE, PEREA, Chair

Summary: Current law provides for the procedure to cancel a contract entered into under the provisions of the California Land Conservation Act of 1965 and provides that the landowner and the Department of Conservation may agree on the cancellation value of the land. This bill would repeal the authorization for the landowner and the department to agree on the cancellation value of the land.

Position: Watch

Subject: Ag Preservation - Williamson

SB 272 (Hertzberg D) The California Public Records Act: local agencies: inventory.

Status: Hearing April 15 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair.

Summary: Would require each local agency, in implementing the California Public Records Act, to conduct an inventory of data gathered by the agency that discloses what data is maintained by the agency, by whom, and with what frequency it is collected. The bill would require the inventory to be available to the public. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

CALAFCO Comments: As written, this bill requires all local agencies (including LAFCo) to conduct an inventory of all data gathered by the agency that includes (1) what the data is; (2) who collects it; and (3) the frequency with which it is collected. This bill is an unfunded mandate on public agencies.

Position: Watch

Subject: LAFCo Administration, Public Records Act



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Legislation Committee

Members: Commissioner Thomson, Commissioner Price

Meeting Minutes

May 28, 2015

1:00 pm

675 Texas St.

Sixth Floor Suite 6700

Fairfield, CA 94533

Attendees: Commissioner Price, Commissioner Thomson, Karen Tedford

Meeting was called to order at 1:02 pm.

1. Communications from the public – There were no communications from the public
2. Discuss adopting a policy for supporting or opposing legislation –
The Committee reviewed the proposed Solano LAFCO Legislative Platform and Policy for submitting a position letter. The Committee recommended to the Commission that they approve the Solano LAFCO Legislative Platform and the Policy.
3. Review April 13, 2015 Legislative Report - The Committee reviewed the April Legislative Report

Meeting was adjourned at 1:30 pm.

Commissioners

John Saunderson, Chair • Jack Batchelor, Vice-Chair

John Vasquez • Jim Sperring • Harry Price

Alternate Commissioners

Skip Thomson • Nancy Shopay • Pete Sanchez

Staff

Elliot Mulberg, Executive Officer • Michelle McIntyre, Analyst • P. Scott Browne, Legal Counsel

Proposed
SOLANO LAFCO Legislative Platform

1. Solano LAFCO's Purpose and Authority

- 1.1. Support legislation which enhances Solano LAFCO's authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq.
- 1.2. Support authority for Solano LAFCO to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCO responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute Solano LAFCO's ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of Solano LAFCO and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCO process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. Solano LAFCO's Organization

- 2.1. Support the independence of Solano LAFCO from local agencies.
- 2.2. Support communication and collaborative decision-making among neighboring LAFCOs when growth pressures and multicounty agencies extend beyond a Solano LAFCO's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies Solano LAFCO's authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support recognition of Solano LAFCO's spheres of influence by other agencies involved in determining and developing long term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to Solano LAFCO.
- 4.5 Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of Solano LAFCO's resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with Solano LAFCO's legislative mandates. Support efforts that enhance meaningful collaboration between Solano LAFCO and regional planning agencies.
- 5.2. Support Solano LAFCO's authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with Solano LAFCO's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for Solano LAFCO to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and SOLANO LAFCO that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides Solano LAFCO with additional opportunities to encourage shared services.

**Proposed
Solano LAFCO policy on legislation:**

The Executive Officer is authorized to submit position letters in the Solano LAFCO legislative platform if they are relevant to Solano County upon consultation with the Chair or Vice Chair when time does not allow approval by the Commission at a regular meeting.