

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: SEPTEMBER 11, 2014
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: AGENDA ITEM #13- LEGISLATIVE UPDATE REPORT

RECOMMENDATION:

Staff recommends that the Commission note receipt of the report and file.

BACKGROUND:

Well, the two-year legislative session is drawing to a close. There will be no last minute e-mail blasts, frantic calls for responses to proposed amendments which are not “officially written”, or requests for input late Friday afternoon. Attachment #1 to this report is the CALAFCO Legislative Report for Wednesday, September 10 all the bills of interest. However, as the information below outlines, the gut and amend process prevailed until the close of the session. The final bills that made it through the session have now been enrolled to the Governor. Below are highlights of bills of interest to the Commission:

- SB 614 (Wolk) -- Local Government: Jurisdictional Changes; Infrastructure Financing, Disadvantaged Unincorporated Communities

Since the Commission was presented with the July staff report, SB 614 has been amended twice. The current language addresses the Commission’s questions on the ongoing maintenance and operation of facilities built through the tax increment financing envisioned by the bill as well as providing for input in the process. The bill has been forwarded to the Governor and its staff’s understanding that support for it comes from the League of Cities, California Special Districts Association and CSAC. CALAFCO has modified its position to one of support for the legislation. A copy of the CALAFCO Letter requesting the Governor to sign the bill and a copy of the bill as enrolled are included with this report as Attachment #2.

- SB 628 (Beall and Wolk) (Co-authors Assembly members Bonta, Dickinson and John Perez) – Enhanced Infrastructure Financing Districts

While on the topic of infrastructure financing, staff became aware early in September of another bill on tax increment financing created through the gut and amend process. SB 628 was originally introduced as a bill proposing medical surveys related to mental health parity, but on August 26, 2014 it was amended to become legislation which proposes the addition of a new chapter in the Government Code for the creation of an “Enhanced Infrastructure Financing District” by a city, county or city and county. The bill allows for the creation of these districts for infrastructure development financing through bonds with 55% approval of the voters. It allows for the inclusion of redevelopment territory within the boundaries of such a district. Of potential confusion, the governing body of the District is to be known as the “Public Financing Authority”, not to be confused with an existing Public Finance Authority such as for the City of Adelanto or a County Water District. LAFCO staff has had little time to review the legislation, but a copy of the enrolled bill is included as Attachment #3. Further information will be provided at the hearing.

- AB 1739 (Dickinson)/SB 1168 (Pavley) – Groundwater basin management: sustainability

AB 1739, as proposed to be amended, was identified as a matter of concern to the San Bernardino LAFCO in the July Legislative Report and a position of oppose unless amended was forwarded to the author. Since that time, the August 18 amendments to the two bills divided the integrated statute into two pieces that must be enacted together. These amendments included many of the stakeholder-group suggested refinements, including those provided by CALAFCO. The August 22 amendments proposed further refinements. As enrolled to the Governor for signature, SB 1168 contains the State’s general policy regarding sustainable groundwater management; the Act’s general provisions including phased requirements for high and medium priority basins to manage sustainability; basin boundary adjustment language; requirements and authorities for establishing Groundwater Sustainability Agencies (GSA); powers and authorities of GSAs; and required Groundwater Sustainability Plan (GSP) components. AB 1739 now includes provisions related to coordination between local land use agencies and GSAs as well as those provisions of the Act regarding: Department of Water Resources (DWR) technical assistance; GSA financial authorities; GSA enforcement powers; State evaluation and assessment of GSPs; and State intervention should the requirements of the statute not be met, including authority for the State Water Board to require reporting of groundwater withdrawals and charging of fees for its interim management activities. With these changes the coordination of overlapping basins and subbasins will be done at the local level. It is the stated intent of the legislature to keep as much authority at the local level as possible.

CALAFCO requested late in the process that LAFCOs be included as one of the entities to be notified upon the formation of a GSA. It was indicated that the request was received too late in the process to be included in the legislation. However, LAFCOs can request to be included on the list of recipients to receive such notice at the local level. CALAFCO has indicated that if clean-up legislation is introduced, and there is always clean up following the gut and amend process, this notification request will be submitted.

- SB 69 (Roth)/ AB 1521 (Fox) – Vehicle License Fee (VLF) Adjustments:

SB 69, as enrolled, will address concerns about VLF funding for the existing four incorporations in Riverside County (those incorporated between 2004 and 2012) but does nothing to address the future funding for a potential incorporation.

AB 1521 (addressing annexations) has been enrolled providing for a return of funding lost after passage of SB 89 for those inhabited annexations which occurred between 2004 and on into the future.

Copies of the letters sent by CALAFCO to the Governor requesting signature on these bills are included as Attachment #4.

- AB 2443 (Rendon) – Water Recycling Act of 1991: Mutual Water companies: duplication of service

On August 22, 2014, AB 2243 was gut and amended to address the ability of public water agencies to provide for a new recycled water service within the territory of a mutual water company if such service is not provided by the water company. This would eliminate a dispute over the question of the “Law of Parallel Lines”. A copy of the enrolled legislation is included with this report as Attachment #5

Staff will be happy to answer any questions at the hearing.

KRM:

ATTACHMENTS:

1. [CALAFCO Daily Legislative Report as of Wednesday, September 10, 2014](#)
2. [CALAFCO Letter Requesting the Governor to Sign SB 614 and copy of SB 614 as enrolled](#)
3. [SB 628 \(Beall/Wolk\) Enhanced Infrastructure Financing Districts](#)
4. [CALAFCO Letters Requesting Signatures on SB 69 and AB 1521](#)
5. [AB 2443 as amended August 22, 2014 related to amendment of the Water Recycling Act of 1991](#)