

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: JUNE 6, 2011

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #10 – PENDING LEGISLATION

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file report; and,
2. Provide direction to LAFCO staff regarding any legislation outlined in this report, other pending legislation of interest to Commissioners and/or the *California Forward* project.

BACKGROUND:

This report is intended to provide Commissioners with information on actions taken for legislation being monitored by staff and the CALAFCO Legislative Committee. With Friday as the final date for bills to pass out of their house of origin, a number of bills have died. The CALAFCO Daily Legislative Report as of June 6, 2011 is provided as Attachment #1 to this report.

The following bills remain active with updates having occurred since the last presentation to the Commission:

AB 54 (Solario) - Mutual Water Companies. The bill was amended May 31st to change the language regarding what types of information will be required to be provided to LAFCOs during their service review process. The amendment appears to have removed the objection to the legislation by the Mutual Water Companies. The new language reads

“...The mutual water company shall provide all reasonably available *nonconfidential* information relating to the operation of the public water system, ~~including the financial, managerial, and technical capability of the mutual water company to ensure delivery of pure, wholesome, and potable drinking water, within the meaning of Section 116540 of the Health and Safety Code.~~ The mutual water company...”

The bill is now at the Senate Rules Committee and has a support position from the CALAFCO Board of Directors. This bill requires no new operational guidelines for San Bernardino LAFCO staff and the amendments actually strengthens the Commission’s ability to receive information to fully address service reviews.

AB 912 (Gordon) - District Dissolution. The Commission will recall that this bill proposes an expedited process for dissolution of a special district under specific circumstances. One of those circumstances is if it is consistent with the determinations (read to mean service review) of a prior action of the Commission. The bill was amended on May 27 with the language changes proposed by CALAFCO and Legislative Counsel (copy included as Attachment #2). It passed the Assembly unanimously (79-0) and has been forwarded to the Senate for consideration. CALAFCO has taken a position of support for this legislation.

AB 1430 (Assembly Local Government Committee) - CALAFCO Omnibus Bill. The primary emphasis of this bill is to clarify and clean up the definitions section of Cortese-Knox-Hertzberg Local Government Reorganization Act. The bill passed the Assembly unanimously (78-0) on May 19. A review of the bill as it came from Legislative Counsel by the CALAFCO Legislative Committee identified a number of drafting questions. It is anticipated that the Bill will be amended with the changes proposed by the Legislative Committee when it is heard in the Senate Governance and Finance Committee later this month. CALAFCO is the sponsor of this bill.

SB 244 (Wolk) - Disadvantaged Unincorporated Communities. The bill passed the Senate (25-14) on a party-line vote. It was last amended on May 18 with a few of the CALAFCO concerns addressed. CALAFCO’s Executive Director and a member of the Board of Directors have attempted to meet with Senator Wolk, to no avail. However, the Director has met with the sponsors (Rural Assistance League and others) several times and provided information that they appear to be interested in working with LAFCOs but to what extent remains uncertain. The CALAFCO Board of Directors at its April meeting took a position to oppose unless amended position. At the CALAFCO Legislative Committee Meeting on May 20 the concerns of various Commissions was reiterated and the determination was made to continue to work with the Sponsors to seek further changes to the legislation.

On April 26, the Chairman signed and staff forwarded a letter outlining the Commission's oppose unless amended position on the issue of unfunded mandates and unintended burdens on applicants. The CALAFCO Legislative Report identifies that the bill will be heard at Assembly Local Government Committee later this month; at which time staff will either reiterate the Commission's opposition (if no amendments are provided) or if amended return to the Commission to review its position. To date the CALAFCO Position is to watch but a letter of concern has been sent to the Author and others.

SB 436 (Kehoe) - Acquisition of Mitigation Lands by Non Profits. This bill outlines requirements for non-profits to acquire and hold mitigation lands. The bill was amended May 2 and again on May 31 to address questions regarding oversight of the non-profits operations (May 2 amendments) and to add the requirement that non-profits which hold lands on behalf of the Department of Fish and Game must comply with certain requirements (May 31 amendment), copy of the bill is included as Attachment #3. This legislation was of interest to LAFCO staff based upon its experiences with *Spirit of the Sage* in acquiring mitigation lands north of Rancho Cucamonga. The CALAFCO Board has taken a position of Support for this Bill following its May 2 amendments

OTHER ITEMS RELATED TO LEGISLATION:

On Friday June 3 the CALAFCO Executive Director sent out a notification that as a part of the Governor's recommended budget he is proposing that certain reimbursable mandates be eliminated. Previously it was determined that a special district providing written information on its service provided as a part of Sphere of Influence Updates was a reimbursable mandate. The Legislative Analyst Office has issued a report (Attachment #4) which outlines amendments to LAFCO law to remove this as a reimbursable mandate.

A copy of the CALAFCO Legislative Committee Meeting minutes is provided (Attachment #5) for Commission information along with the adopted language to amend Government Code Section 56133. CALAFCO will be conducting regional reviews of this language change over the next several months looking to draft legislation later on this summer.

CALIFORNIA FORWARD:

There is a new organization looking into the question of resolving some of the issues for the State of California which calls itself *California Forward*. This group is politically well connected and funded and has identified its mission as "to work with Californians to help create a 'smart' government – one that's small enough to listen, big enough to tackle problems, smart enough to spend

our money wisely in good times and bad, and honest enough to be held accountable for results.”

In working toward developing its “smart government” approach, *California Forward*, began a stakeholders outreach project, identified in its materials as a “roundtable” process that consisted of a number of regional meetings. These meetings pulled together leaders from local government, but as best staff can discern they did not include representatives from California’s special districts or LAFCOs.

Based upon these roundtable reviews, *California Forward* drafted a “Restructuring Framework” document (Attachment #6) to begin a process of discussions around the State about the long-term solutions to the State’s financial and governance issues. One of the items discussed in the document is government consolidation and refers to LAFCOs involvement through working with Regional Councils of Government to identify opportunities for consolidating special districts.

On Monday, May 23, LAFCO staff participated in one of these discussion groups held at the San Bernardino Boys and Girls Club. Input was provided by staff regarding questions on: (1) the participation of Special Districts in the process, (2) how using the Council of Government concept for decision-making would allow for equity in representation for Special Districts, and (3) the issue of whether the framework supposes that SCAG would be the decision-making body for boundary issues or the local COGS. LAFCO staff is now a part of the distribution of this information – contrary to the methods at the outset of this discussion.

Direction from the Commission on further participation in this process and positions is requested at the meeting.

Staff will be happy to respond to any questions prior to or at the hearing.

/krm

Attachments:

1. CALAFCO Daily Legislative Report Dated June 6, 2011
2. Assembly Bill 912 (Gordon)
3. Senate Bill 436 (Kehoe)
4. Legislative Analyst Report, Dated June 1, 2011, Analysis of Newly Identified Mandates
5. Draft CALAFCO Legislative Committee Minutes from May 20, 2011 with Copy of Proposed Language for Amended Section 56133
6. CALIFORNIA FORWARD Smart Government: Making California Work Again