



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

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**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER (DC)**

**DATE: APRIL 17, 2014**

**SUBJECT: CALAFCO LEGISLATIVE STATUS (RECOMMEND CONSIDER SUPPORTING CERTAIN PROPOSED BILLS)**

**Recommendation.** It is respectfully recommended that the Commission review the information attached to this report and provide direction to Staff regarding the support and/or opposition of the discussed legislation.

**Legislative Update.** The CALAFCO Legislative Committee met in Ontario on March 21<sup>st</sup>. Attached are the draft summary/action minutes of that meeting. CALAFCO took a number of actions relating to several bills. Letters of position from all LAFCOs as noted below would be greatly appreciated.

**Exhibit A**

- Draft Leg Committee Minutes
- Support letters

**AB 2762 (Assembly Local Government Committee) - CALAFCO Sponsor – C-K-H Omnibus bill.** This bill contains a number of clean-up items to C-K-H, with several others approved by the legislative committee to be added via an amendment prior to its scheduled hearing at the end of this month. CALAFCO requests that a letter of support, which is attached, be submitted by LAFCOs around the state. The bill will likely be heard at the end of April. Letter due to the ALGC by 4/23.

**AB 1729 (Logue) – CALAFCO Support – Williamson Act.** As amended, this bill would appropriate \$40 million from the State General Fund in FY 14/15 for subvention payments to counties. CALAFCO letter is attached as a template for your commission. The bill is currently assigned to Assembly Appropriations with no hearing date set yet. Letter would be sent to the Chair of that committee, Assembly member Mike Gatto, with a copy to the ALGC and Logue (see attached).

**AB 2156 (Achadjian) – CALAFCO Support - LAFCo and JPAs.** As amended, the bill introduces JPAs into C-K-H by naming JPAs as one of the entities LAFCO can request information from for studies, and includes JPA agreements as an item LAFCO may request from JPAs. CALAFCO support letter is attached as a template for your commission. This bill is set for hearing via the consent calendar in the ALGC on 4/2. Send your letters to Assembly member Achadjian.

**AB 1527 (Perea) – CALAFCO Oppose unless amended – Drinking Water.** Per the author's office the intent of this bill was to eliminate the liability of a water agency that consolidates with another that is in trouble. However, as amended this bill will completely bypass the LAFCo process for consolidation of water districts and have the DPH provide the approval of consolidation. Furthermore, the way in which the bill is currently written, the "assuming water agency" is the only agency that needs to agree to the consolidation. In addition the bill is written to address all types of water agencies (public, private and mutuals). The bill was originally scheduled for a 3/25 hearing in the Assembly Environmental Safety & Toxic Materials Committee. However, the ALGC requested to hear the bill first, so it was pulled from the S&TM and is currently in Assembly Rules awaiting committee re-assignment. CALAFCO has requested ALGC staff to facilitate conversation with the author's office, CALAFCO, ACWA and CSDA on appropriate amendments. CALAFCO is awaiting committee assignment to create the letter of position.

**AB 1961 (Eggman) – CALAFCO Watch – Sustainable Farmland Strategy.** As amended, the bill requires counties with 4% or more of its land zoned as agricultural to create a sustainable farmland strategy (sfs) effective January 1, 2018, in consultation with cities and LAFCo, and to update the sfs as necessary. The bill also requires OPR to create best practices that support ag land retention and mitigation and recommendations on the role of LAFCo in the preservation of ag zoned lands (when considering annexations and service extensions) in the next update of the General Plan. In addition, the bill adds the sfs as a factor for LAFCo to consider (Sec. 56668) in the review of a proposal. The legislative committee identified a number of issues with the bill (please see the minutes for details), all of which are being addressed with the Assembly Ag Committee and author's office. The bill is scheduled to be heard in the ALGC on 4/2. CALAFCO will continue to work on the amendments needed and reconsider our position based on the outcome of those negotiations.



California Association of Local Agency Formation Commissions

**CALAFCO Legislative Committee  
DRAFT SUMMARY MEETING MINUTES**

**Date:** Friday 21 March, 2014

**Location:** Ontario, CA

**Participants:** Clark Alsop (Counsel), **Robert Bergman\***, Kris Berry, Marjorie Blom\*, Bob Braitman\*, Scott Browne\*, David Church\*, Carole Cooper, Carolyn Emery, Paul Hood\*, **Juliana Inman\***, **Gay Jones\***, **William Kirby**, **John Leopold** (left at 11:30 a.m.), Steve Lucas\* (Vice Chair), Kai Luoma\*, **Michael McGill**, Pamela Miller (Chair), Paul Novak, Neelima Palacherla\*, Mona Palacios, Paula de Sousa, Kathy Rollings-McDonald, Keene Simonds, George Spiliotis, and Lou Ann Texeira.

**Others:** Ken Lee, Orange LAFCo; Ben Legbandt\*, Orange LAFCo; Jeff Moorhouse\*, Santa Barbara LAFCo.

\*participated by phone

**Recorder:** Pamela Miller

**1. Welcome, Roll Call, Review Agenda**

*A quorum was determined to be present at 9:30 a.m. and the meeting was called to order. Bob Braitman requested the addition of SB 1462 to item 5.*

**2. Approval of minutes of the January 24, 2014 meeting**

***MOTION:** Mike McGill motioned to approve the minutes as amended. The motion was seconded by John Leopold and passed unanimously.*

**3. 2014 Assembly Omnibus Bill**

a. Items proposed

***MOTION:** Mike McGill motioned to add §56434 back into the code through the Omnibus bill if possible. Should the Assembly Local Government Committee (ALGC) staff determine it is possible, CALAFCO will ask that the requested amendment be reviewed separately from the other three items to be included in the amendment, so that in case there are issues with this addition, the other proposed amendments will not be jeopardized. The motion was seconded by Steve Lucas and passed unanimously.*

b. Items not included – next steps

**ACTION:** Paul Novak to continue to work with ALGC on §57075 and §57075.5. These two items, along with §56332, will be included in an amendment before the bill goes to hearing.

**ACTION:** Carole Cooper to poll LAFcos on their practice on Notice of Hearings for proceedings to determine the feasibility of going forward next year with the proposed section in §56660 that was removed from this year's Omnibus bill.

**ACTION:** Pamela Miller to send out to all LAFcos the language proposed for consideration of adopting a local policy.

4. Current LAFCo Legislation

a. AB 1527 (Perea) – Drinking Water

**MOTION:** Keene Simonds motioned for CALAFCO to take an OPPOSE UNLESS AMENDED position on the bill. The motion was seconded by John Leopold and passed unanimously.

**ACTION:** Pamela Miller to write a letter outlining the reasons for the position including the bill's lack of connection to C-K-H and existing consolidation processes outlined therein, and CALAFCO's willingness to work with the author's office on amendments.

b. AB 1729 (Logue) – Williamson Act

**MOTION:** John Leopold motioned for CALAFCO to take a SUPPORT position on this bill. The motion was seconded by Mike McGill and passed unanimously.

**ACTION:** Pamela Miller to write letter of Support.

c. AB 1961 (Eggman) – Sustainable Farmland Strategy

After lengthy discussion regarding the bill and the conflict between the need to support the preservation of farmland and the issues associated with bill (outlined as LAFCo needing to rely on OPR to create guidelines that already exist in §56668, the questionable nature of the General Plan Guidelines as a place for those types of recommendations, the ambiguity of the consideration of compatibility "to the maximum extent feasible", and the fact that this is an unfunded mandate for counties), the committee considered the following action:

**MOTION:** Keene Simonds motioned for CALAFCO to take an OPPOSE UNLESS AMENDED position, noting the amendment to be the removal of paragraph (b) on the last page of the bill, as noted below.

~~(b) The Office of Planning and Research shall include in their next update of the General Plan Guidelines recommendations on the role of local agency formation commissions in the preservation of agriculturally zoned lands when considering annexations of agriculturally zoned lands into cities and service extensions onto agriculturally zoned lands.~~

The motion was seconded by Mike McGill. After additional discussion, an amendment to the motion as requested by Carole Cooper and accepted to also strike the phrase "to the maximum extent feasible" in (b) (2). The motion failed by the following vote:

AYES: Alsop, Berry, McGill, Novak, Spiliotis.

NOES: Bergman, Braitman, Browne, Church, Cooper, Emery, Hood, Jones, Kirby, Leopold, Lucas, Luoma, Palacherla, Palacios, de Sousa, Rollings-McDonald, Simonds, and Texeira.

*After further discussion, the committee took the following action:*

**MOTION:** Kathy Rollings-McDonald motioned for CALAFCO to maintain its current WATCH position, convey our concerns to the author and sponsors, and to express a desire to work with them on crafting the appropriate amendments that would get CALAFCO to a SUPPORT position. The motion was seconded by John Leopold and passed unanimously.

**ACTION:** Pamela Miller to work with the author and sponsors conveying our concerns, and request amendments.

*The committee may reconsider its WATCH position based on the outcome of those conversations.*

d. **AB 2156** (Achadjian) – C-K-H and JPAs

**MOTION:** Steve Lucas motioned for CALAFCO to take a SUPPORT position on the bill. The motion was seconded by Paul Hood and passed unanimously.

**ACTION:** Pamela Miller to write letter of Support.

e. **SB 1001** (Knight) - C-K-H

*No action taken on this bill as it remains a spot bill. CALAFCO will maintain its WATCH position.*

#### 5. Review of other Legislation of Interest

a. **AB 1521** (Fox) – VLF

*No action taken as there are no amendments at this time to consider. CALAFCO will maintain its SUPPORT position.*

b. **AB 1593** (Dahle) – Auburn Public Cemetery District

*No action taken as this item was for informational purposes only.*

c. **AB 2455** (Williams) – Santa Rita Hills CSD

**MOTION:** Mike McGill motioned for CALAFCO to take a WATCH position on the bill until Santa Barbara LAFCo and Santa Barbara County have considered the bill, after which time a reconsideration of CALAFCO's position may occur. The motion was seconded by Paul Novak and passed unanimously.

d. **Other CALAFCO tracked bills**

*There are no new updates for the remaining bills being tracked.*

e. **SB 1462** (as added)

*Although Bob Braitman left the call by the time this item was addressed (at his request), Pamela Miller reported receiving a request to review and comment on the first set of amendments to the Senate Governance & Finance Committee's bill, and that she will be sending it to the committee for review and comment.*

## INFORMATION

### 6. Committee Bills, Projects and Reports

#### a. Report of Board's approval of Committee's recommended Legislative Policies update

*Pamela Miller reported the Board approved the committee's recommended amendments to the Association's Legislative Policies during their February 7<sup>th</sup> meeting. She also stated the Board approved the Legislative Committee's policies relating to the prioritization of bills being tracked and the positions taken by CALAFCO.*

#### b. Report of Board of Directors legislative priorities based on Committee's recommendation

*Pamela Miller reported (with additional comments by Mike McGill) on the Board's discussion of February 7<sup>th</sup>, based on the recommended legislative priorities brought forward by this committee. She indicated their priorities were as follows:*

##### 1. Disincorporations

*The Board authorized the subcommittee to continue its work identifying the areas needing to be amended, to craft the appropriate language for the amendments, and to work with stakeholders.*

##### 2. JPAs

*The Board acknowledged the need to address JPAs in a proactive manner and as a priority over the next several years. There was concurrence this may require a multi-phased approach, and the Board approved the formation of a subcommittee.*

*It was noted AB 2156 is the beginning of this process.*

*A subcommittee was formed to include Keene Simonds, Scott Browne, and Steve Lucas. Pamela Miller to send a note to Board members on the Committee to populate the subcommittee with a Board member.*

##### 3. Protest Provisions Phase II

*The Board agreed the next logical step in addressing Protest Provisions is their consolidation into one section and an examination of the various thresholds. The Board approved San Diego LAFCo's lead on the project since little to no CALAFCO resources are required at this time.*

##### 4. Revenue & Tax Code Section 99

*The Board acknowledged that while there is a need for this section to be updated, and the Committee has had this on their agenda for a number of years, there was concurrence that CALAFCO is not the appropriate entity to take the lead on this project. The Committee was directed to determine what entity that may be and conduct outreach soliciting a lead, with CALAFCO having a seat at the table of discussion.*

##### 5. Service Outside Boundaries - §56133

*After much discussion, the Board determined that although a large amount of resources have been directed to this piece of potential legislation, in the end it is likely that there will not be enough support to pass a bill with the*

*desired amendments. Given all of the other priorities on the table, the Board felt it best to let this go at this time, and directed the Executive Director and Counsel to draft a letter to the membership on the matter.*

**c. Discussion regarding Revenue and Tax Code Section 99**

*Suggestions for entities to be approached by CALAFCO to take the lead included the League, CSAC, Assembly Local Government Committee staff, Senate Governance & Finance Committee staff, the CA Auditors' Association, and the CA Property Tax Manager's Group. Carolyn Emery indicated she has a contact in Orange County who could possibly connect us with the state Association.*

***ACTION:*** Carolyn Emery to provide contact information to Lou Ann. Pamela Miller and Lou Ann Texeira to work together and approach these entities.

**d. Disincorporation procedures update**

*Kathy Rollings-McDonald reported there was no update as the committee had not met since the last meeting.*

**7. Items for next meeting**

*None.*

**Adjournment to May 9, 2014 in Sacramento**

*The meeting was adjourned at 12:56 p.m.*

2013-2014

Board of Directors

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Deputy Executive Officer

DAVID CHURCH  
Deputy Executive Officer

JENI TICKLER  
Executive Assistant

25 March 2014

Honorable Katcho Achadjian, Chair  
Assembly Local Government Committee  
California State Assembly  
State Capitol, Room 4098  
Sacramento, CA 95814

RE: **SUPPORT of AB 2762: Local Government Committee Omnibus Bill**

Dear Assembly Member Achadjian:

The California Association of Local Agency Formation Commissions is pleased to sponsor and support the Assembly Local Government Committee Bill AB 2762 which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

This annual bill includes technical changes to the Act which governs the work of local agency formation commissions. These changes are necessary as commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 2762 makes several minor technical changes, corrects obsolete and incorrect code references, and makes minor updates to outdated sections. We are very grateful to the Commission staff and counsel, and your Committee staff who worked diligently on this language to ensure there is no substantive change, yet creates a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of local agency formation commissions. As always I am happy to provide any additional information needed.

Yours sincerely,



Pamela Miller  
Executive Director

cc: Members, Assembly Local Government Committee  
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus



25 March 2014

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JENI TICKLER  
Executive Assistant

The Honorable Mike Gatto, Chair  
Assembly Appropriations Committee  
California State Capitol, Rm 2114  
Sacramento, CA 95814

**RE: AB 1729 (Logue) – Williamson Act – SUPPORT**

Dear Assembly Member Gatto:

On behalf of the California Association of Local Agency Formation Commissions, I write to express our support for AB 1729 by Assembly Member Logue. This bill would reinstate the Williamson Act alternative funding mechanism.

The Williamson Act was intended to be a partnership between the state, counties and landowners to preserve agricultural resources. Counties, in exchange for implementing the State goal of farm and ranch land preservation, were to receive a partial replacement of their foregone property tax from the land enrolled in the program. State subventions have not been paid since 2009, and counties are struggling to meet their responsibilities under the Williamson Act and as a result, farmland protection may be compromised.

AB 1729 would reinstate the program, providing counties subvention funding from the state.

Since 1963 Local Agency Formation Commissions (LAFCo) have worked within each county to meet their legislative mandate of balancing growth and development with discouraging sprawl and protecting California's important agricultural lands. The Williamson Act and its role in LAFCo law, has proven an effective tool for many LAFCos to reduce sprawl and protect prime agricultural lands. The ramifications of the elimination of State subventions and not providing an alternative funding mechanism causes us great concern. Without financial incentives to maintain contracts we believe the ability of LAFCos to meet the Legislative intent to preserve agricultural and open-space lands is compromised.

For these reasons, CALAFCO respectfully urges your Committee's support of the Williamson Act and requests an "Aye" vote on AB 1729 when it is heard in your committee.

Yours sincerely,



Pamela Miller  
Executive Director

1215 K Street, Suite 1650  
Sacramento, CA 95814

Voice 916-442-6536  
Fax 916-442-6535

[www.calafco.org](http://www.calafco.org)

cc: Members, Assembly Local Government Committee  
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Honorable Dan Logue, California State Assembly

Item B-3  
9

25 March 2014

**2013-2014  
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Honorable Katcho Achadjian, Chair  
Assembly Local Government Committee  
California State Assembly  
State Capitol, Room 4098  
Sacramento, CA 95814

RE: **SUPPORT of AB 2156: Local Agency Formation Commissions: Studies**

Dear Assembly Member Achadjian:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I write to express our support for AB 2156, as amended, authored by you. This bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct studies considered relevant by each commission.

Pursuant to C-K-H, LAFCos are charged with evaluating the provision of municipal services and to conduct studies of existing governmental agencies including their service area and service capacities. As many local agencies across the state are providing municipal services through JPAs, having access to the information that outlines service areas and specific services being delivered by these entities is critical to conducting comprehensive studies that support LAFCos core missions of encouraging the efficient delivery of local services and evaluating local agency boundaries.

The bill is substantively informed by, and consistent with, the earlier work of CalForward (2011) and the Legislative Analyst Office Report of October 21, 2011, the latter of which specifically addressed the relationship between LAFCo and joint powers authorities and joint powers agencies.

CALAFCO would appreciate the opportunity to work on legislation that creates an even stronger association between these entities. Many LAFCos are seeing JPAs being formed as a way to extend services without oversight thus circumventing the LAFCo review and approval process. Such actions inhibit the ability of LAFCo to fulfill the part of their mission that relates to assuring efficient and accountable government services.

AB 2156 is consistent with the CALAFCO legislative policy of assuring LAFCo's ability to review and act to determine the efficient and sustainable delivery of local services to meet current and future needs, and is an important first step in the development of the relationship between LAFCos and JPAs. For these reasons, CALAFCO supports AB 2156 as amended and we thank you for authoring this important piece of legislation.

Yours sincerely,



Pamela Miller  
Executive Director

1215 K Street, Suite 1650  
Sacramento, CA 95814

Voice 916-442-6536  
Fax 916-442-6535

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