



July 8, 2020

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CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission

FROM: Executive Officer
Policy Analyst

SUBJECT: Legislative Report (July 2020)

Since reconvening in May, the Legislature’s priorities include responding to the Coronavirus pandemic, addressing the State Budget deficit, and proposed legislation that seeks to address wildland fire protection and mitigation and homelessness and housing initiatives. As the current legislative session comes to a close, the following are key deadlines for the California State Assembly and Senate:

2020 Legislative Session Deadlines	
June 26	Budget Bill passed.
July 13	Both houses return from summer recess.
September 30	Last day for the Governor to sign or veto bills passed by the Legislature.

Based on the priorities of the Legislature, the status of legislation reviewed by the Commission this year has not changed since the last legislative report presented to the Commission in April. At this time, it is unclear if the bills of LAFCO-interest will move forward during the remaining two months of the session. However, this report provides a summary of an urgency bill of LAFCO-interest introduced over the past month and a recommended position for Commission consideration.

Senate Bill 625 (Bradford) – Central Basin Municipal Water District (CBMWD): Receivership

In 2015, the California State Auditor prepared an audit report on the CBMWD and identified several inefficiencies and other issues hindering the District’s ability to meet its responsibilities as an independent special district. The California State Auditor recommended that the Legislature

preserve the District as an independent entity but modify its governance structure to ensure it remains accountable to the District's member agencies.

In response to the report of the State Auditor, SB 625 has been introduced as an urgency statute. The bill seeks to increase the efficiency of CBMWD and protect the delivery of wholesale water to its member agencies. Key provisions of the bill propose the following:

- Remove CBMWD's existing board of directors.
- Cancel the November board of directors scheduled election.
- Appoint the Water Replenishment District of Southern California as the receiver agency.
- Direct the Los Angeles LAFCO to prepare a Municipal Service Review that identifies governance structure options for a new CBMWD board of directors.

On June 13, 2020, Orange LAFCO received correspondence from Los Angeles LAFCO requesting that a letter in support of SB 625 be sent to the bill author. While SB 625 is specific to an independent special district in Los Angeles County, the provisions of the bill align with the legislative responsibilities of LAFCOs regarding the preparation of municipal service reviews and assessing governance alternatives. Therefore, staff is recommending that the Commission adopt a **"Support"** position for SB 625.

RECOMMENDED OC LAFCO POSITION: Adopt a **"Support"** position for SB 625.

POSITIONS OF OTHER AGENCIES AND ORGANIZATIONS:

Support: California Association of Mutual Water Companies, California Water Association, Central Basin Water Association, City of Downey, City of Lakewood, Los Angeles County Board of Supervisors, and Southeast Water Coalition.

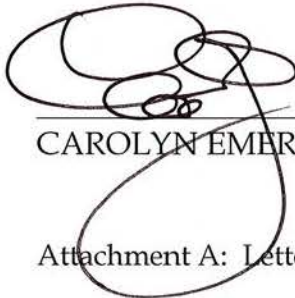
Oppose: Art Chacon (CBMWD Vice President), Carlos Padilla (CBMWD Interim General Manager), Leticia Vasquez Wilson (CBMWD Director Division 4), and Phil Hawkins (CBMWD Director Division 5).

RECOMMENDATION

Staff recommends the Commission:

1. Receive and file the July 8, 2020 Legislative Report.
2. Adopt a "Support" position for SB 625.
3. Direct staff to send a support letter for SB 625 to the bill author (Attachment A).

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA

Attachment A: Letter of Support - SB 625



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STAFF

CAROLYN EMERY
EXECUTIVE OFFICER

The Honorable Steven Bradford
California State Senate
State Capitol, Room 2059
Sacramento, CA 95814

RE: *Support* - SB 625: Central Basin Municipal Water District:
Receivership

Dear Senator Bradford:

The Orange County Local Agency Formation Commission (OC LAFCO) is pleased to support Senate Bill 625, as amended on June 8, 2020. The bill focuses on the Central Basin Municipal Water District (CBMWD) and puts the District into receivership at the Water Replenishment District of Southern California (WRD).

In 2015, the State Auditor identified several inefficiencies and issues that hinder the CBMWD's ability to meet its responsibilities as a municipal wholesale water provider. Senate Bill 625 seeks to increase the efficiency of the CBMWD and protect the delivery of wholesale water to its member agencies.

As you know, LAFCOs were created by the State to ensure the orderly formation and expansion of the boundaries of local agencies that can best accommodate and provide necessary governmental services in the most efficient manner possible. The OC LAFCO supports the intent of SB 625 as it aligns with the legislative responsibilities of LAFCOs regarding preparing municipal service reviews and assessing governance alternatives that support the efficient delivery of municipal services. Additionally, our Commission supports the provision of the bill that includes the conducting of an open, public and transparent process by Los Angeles LAFCO that proactively engages the affected and local stakeholders.

For these stated reasons, we support the efforts of your proposed legislation, SB 625.

Respectfully,

Cheryl Brothers
Chair

cc: Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Senate Governance and Finance Committee Consultant
Ryan Eisberg, Consultant, Senate Republican Caucus
Pamela Miller, Executive Director, CALAFCO
Paul Novak, Executive Officer, Los Angeles County LAFCO