



February 13, 2019

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CHAIR
DEREK J. MCGREGOR
Representative of
General Public

TO: Local Agency Formation Commission

VICE CHAIR
CHERYL BROTHERS
Councilmember
City of Fountain Valley

FROM: Executive Officer
Policy Analyst

IMMEDIATE PAST CHAIR
CHARLEY WILSON
Director
Santa Margarita Water District

SUBJECT: Legislative Quarterly Report (February 2019)

LISA BARTLETT
Supervisor
5th District

BACKGROUND

This *Legislative Quarterly Report* provides a brief preview of the anticipated legislation of LAFCO-interest for the next legislative session that began on December 3, 2018. This report also includes an update on the representation of the Southern Region LAFCOs on the FY 2018-19 CALAFCO Legislative and Advisory Committees.

DR. ALLAN BERNSTEIN
Councilmember
City of Tustin

DOUGLASS DAVERT
Director
East Orange County Water District

The deadline for introducing bills for the new legislative cycle is February 22, 2019. The next *Legislative Quarterly Report*, which is scheduled for April, will provide a more detailed summary of the legislation submitted for the new session.

VACANT
Supervisor
3rd District

ALTERNATE
WENDY BUCKNUM
Councilmember
City of Mission Viejo

PREVIEW OF ANTICIPATED LEGISLATION

It is anticipated that for the FY 2018-19 legislative session several proposed bills will be introduced that directly impact LAFCOs. For example, over the past several years the delivery of water and wastewater services to disadvantaged communities in either incorporated or unincorporated areas has been a topic of several pieces of proposed legislation. One of the bills signed into law during the FY 2017-18 legislative session authorizes the State Water Resources Control Board to consolidate small water systems that fail to adequately supply safe drinking water to disadvantaged communities. It is anticipated that similar efforts will continue for the FY 2018-19 legislative session.

ALTERNATE
JAMES FISLER
Director
Mesa Water District

ALTERNATE
LOU PENROSE
Representative of
General Public

ALTERNATE
MICHELLE STEEL
Supervisor
2nd District

CAROLYN EMERY
Executive Officer

Additionally, the CALAFCO Board and the Legislative Committee have identified three legislative priorities for the FY 2018-19 legislative session:

- Sponsorship of proposed legislation that would secure state grant funding for LAFCOs.
- Propose minor or non-substantive changes to the CKH Act via the annual Omnibus Bill sponsored by the Local Government Committee.
- Two-year effort to discuss the protest provisions delineated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act").

During the past legislative session, CALAFCO sponsored AB 2258 that would have secured state grant funding for LAFCOs. After much time and effort by the CALAFCO Board and the Legislative Committee, the bill passed both Houses of the Legislature and was submitted to the Governor. Ultimately, the Governor vetoed the bill stating that its funding request should be evaluated in the annual budget process where it can be weighed with other State spending priorities. The Board supports continuing this effort during the FY 2018-19 legislative session and submitting the proposed legislation for consideration in the annual budget process.

CALAFCO's Board has long discussed with LAFCOs the possibility of sponsoring a bill to revise the protest provisions included in the CKH Act. Many LAFCOs agree that there are inconsistencies in the CKH Act that make it difficult to understand and track protest provisions. In 2017, the Little Hoover Commission in its report "Special Districts: Improving Oversight & Transparency" recommended that, "the Legislature should convene an advisory committee to review the protest process for consolidations and dissolutions of special districts and to develop legislation to simplify and create consistency in the process." The CALAFCO Board recognizes that undertaking this effort will require a two-year commitment, beginning with the FY 2018-19 legislative session. The Legislative Committee will lead the effort to discuss the protest provisions with various stakeholder groups to gather their input on the proposed rewrite of the protest provisions.

It is anticipated that the collective effort of these legislative priorities will require significant CALAFCO and local LAFCOs participation.

CALAFCO LEGISLATIVE-ADVISORY COMMITTEE

Each year, prior to the start of a new legislative session, the CALAFCO Board reviews its legislative policies and appoints the members of the Legislative Committee. The committee's structure includes: five Board Members, eight voting staff members, three legal counsel voting members and five alternate staff members. Additionally, the Board has established a Legislative Advisory Committee consisting of LAFCO staff and legal counsel volunteers who are not voting or alternate members of the Legislative

Committee. The CALAFCO Board appointments to these committees were confirmed at its meeting on December 7, 2018. The following staff members will represent the Southern Region for FY 2018-19:

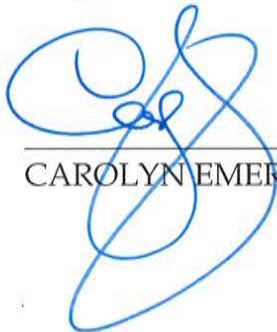
Paul Novak, Executive Officer - Los Angeles LAFCO (voting member)
Samuel Martinez, Executive Officer - San Bernardino LAFCO (voting member)
Carolyn Emery - Orange LAFCO (alternate member)
Robert Barry, Chief Analyst - San Diego LAFCO (advisory committee)
Luis Tapia, Policy Analyst - Orange LAFCO (advisory committee)

RECOMMENDATION

Staff recommends that the Commission:

1. Receive and file the February 13, 2019 Legislative Quarterly Report.

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA