



**Local Agency Formation Commission**  
**LAFCO of Napa County**

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**April 5, 2010**  
**Agenda Item No. 8b (Action)**

March 29, 2010

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Legislative Report**

The Commission will receive a report on the second year of the 2009-2010 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The Commission will also consider authorizing the Chair to sign a letter in support of Senate Bill 1023, which is authored by local representative Patricia Wiggins.

The Executive Officer is a member of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors as it relates to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer.

**A. Discussion and Analysis**

The Legislative Committee is currently tracking 18 bills with direct or indirect impacts on LAFCOs as part of the second year of the 2009-2010 session. Several of the bills introduced are placeholders and will be amended over the next several months to clarify their specific purpose. A complete list of the bills under review by CALAFCO is attached. Two bills of specific interest to the Commission are discussed and analyzed below.

**Assembly Bill 853 (Juan Arambula)**

This legislation would establish new procedures for county boards of supervisors to initiate proposals seeking LAFCO approval to annex unincorporated islands or "fringe communities" that lack adequate public infrastructure. The legislation defines a fringe community as any inhabited (12 or more registered voters) land within a city's sphere of influence. The legislation would require LAFCOs to approve an annexation unless it finds the proposal will not result in a net benefit to the community's public health; financial considerations are not to be factor in justifying disapproval. The legislation would waive protest proceedings and the traditional requirement that land be rezoned by cities as a precondition to annexation. The legislation would also establish a process for LAFCO to determine a property tax agreement. The bill passed through the Assembly in May 2009 and has been referred to the Senate Committee on Local Government. CALAFCO has adopted an oppose-unless-amended position on the bill.

Juliana Inman, Chair  
Councilmember, City of Napa

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Alternate Commissioner  
Councilmember, City of American Canyon

Bill Dodd, Vice Chair  
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

**Senate Bill 1023 (Patricia Wiggins)**

This legislation would establish an expedited process for LAFCOs to initiate and approve the reorganization of resort improvement districts (RIDs) and municipal improvement districts (MIDs) into community service districts (CSDs) with the same powers, duties, and boundaries. The legislation includes exempting protest proceedings unless written opposition is filed by the affected agency. The legislation is the byproduct of several months of discussions between the Senate Committee on Local Government and CALAFCO regarding a mutual interest in eliminating RIDs and MIDs given their archaic and discontinued principal acts. The Commission previously discussed the merits of the legislative concept and authorized the Chair to sign a letter of support to the Senate Committee on Local Government in April 2009.

In terms of potential local use of the legislation, several years ago the Commission completed municipal service reviews on Lake Berryessa RID and Napa Berryessa RID. This included adopting determinations identifying the need to thoroughly examine restructuring options given the two agencies' governance and service challenges. The Commission is scheduled to review restructuring options for these two agencies later this year as part of a new municipal service review. If restructuring the agencies into CSDs is deemed appropriate, the legislation would establish a new and effective implementation tool allowing the Commission to work with agencies to complete the reorganization proceedings while avoiding the costs and variables associated with protest hearings. With this in mind, staff believes it would be appropriate for the Commission to authorize the Chair to sign a new letter of support specific to the legislation proposed by Senator Wiggins. A copy of a draft letter of support is attached.

In addition to current legislation, staff continues to seek support within CALAFCO to make two substantive changes to the procedures regulating LAFCO approval of outside service extensions under Government Code (G.C.) Section 56133. Most notably, this includes allowing LAFCOs to approve new or extended outside services beyond an agency's sphere of influence without the current precondition of making a public health or safety finding. The second proposed change would eliminate an existing exemption involving recycled water given it is becoming an increasingly important component in supporting urban development. As previously discussed, both proposed changes to G.C. Section 56133 were approved by the Legislative Committee on a 10 to 8 vote in December 2009, but the CALAFCO Board decided to take no action on the items due to a lack of consensus. Staff anticipates resubmitting the proposed changes, with or without edits, for consideration by CALAFCO in the 2011-2012 session.

Staff has also been working with other Executive Officers to generate support within CALAFCO for proposing a categorical exemption for spheres of influence under the California Environmental Quality Act (CEQA). Staff believes this type of exemption is appropriate given spheres of influence are ultimately policy tools used by LAFCOs to help inform local agencies in their planning activities. Many LAFCOs, however, are choosing not to review and update spheres on a proactive basis to avoid the resource demands associated with complying with CEQA. Establishing an exemption specific to spheres of influence would address this current constraint on LAFCOs in fulfilling its legislative duties to coordinate the orderly formation and development of local agencies and services.

Staff will continue to update the Commission on both issues summarized in the preceding paragraphs as new information becomes available.

**B. Recommendation**

It is recommended the Commission take the following actions:

- 1) Authorize the Chair to sign the attached draft letter to Senator Patricia Wiggins supporting Senate Bill 1023.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachments:

- ~~1) AB 853 Text~~
- ~~2) SB 1053 Text~~
- 3) Draft Letter to Senator Patricia Wiggins in Support of SB 1053
- ~~4) CALAFCO Status Report on Current Legislation~~

Crossed-out attachments are available by contacting staff



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April 5, 2010

Senator Patricia Wiggins  
 California State Senate  
 State Capitol, Room 4081  
 Sacramento, California 95814

**SUBJECT: Support for Senate Bill 1023**

Dear Senator Wiggins:

The Local Agency Formation Commission (LAFCO) of Napa County is pleased to support your Senate Bill 1023. This legislation establishes an expedited process for LAFCOs to reorganize resort improvement districts (RIDs) and municipal improvement districts (MIDs) into community service districts (CSDs) with the same powers, duties, and boundaries. The legislation includes exempting protest proceedings unless written opposition is filed by the affected agency.

As you are aware, there are two RIDs operating in Napa County: Lake Berryessa and Napa-Berryessa. Both agencies are governed by the Board of Supervisors and provide water and sewer services to small unincorporated communities with a combined estimated resident population of 2,000. A few years ago, LAFCO completed municipal service reviews on both agencies, which included determinations identifying the need to thoroughly exam government restructuring options given the agencies' fiscal, governance, and service challenges. LAFCO anticipates reviewing restructuring options for these agencies later this year as part of a new municipal service review. If restructuring into CSDs is deemed appropriate, your legislation makes it easier for LAFCO to work with the agencies to complete the reorganization proceedings while avoiding the costs and variables associated with protest hearings.

Thank you for your efforts on this important matter. Please contact LAFCO Executive Officer Keene Simonds at (707) 259-8645 with any questions.

Sincerely,

Juliana Inman  
 Chair

cc: Members, Senate Local Government Committee  
 Ryan Eisberg, Senate Republican Caucus  
 William Chiat, CALAFCO Executive Director

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 Executive Officer