

Journal of the
California Association of Local Agency Formation Commissions

THE SPHERE

2023

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THE SPHERE

CALAFCO Journal

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CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

CALAFCO

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CALAFCO MISSION

The mission of CALAFCO is to promote efficient and sustainable government services based on local community values through legislative advocacy and education.

A Message From The Chair of **CALAFCO**



BILL CONNELLY
Chair of the Board

A Busy Year

This past year flew by as CALAFCO and each LAFCo continues to evolve and adapt!

One consistent factor in our success is YOU! It is with your support and raw talent that we have had real accomplishments. However, to prepare for the future, we must reflect on the past fifty-two years of our existence and ask ourselves, are we where we want to be?

CALAFCO was formed as a volunteer organization to support each of you in providing an indispensable public service. LAFCo's are the organization that is out in front, promoting rational growth and seeking sustainability for future generations of Californians. With professionalism and non-bias, fact based actions, we should be the resource the Governor and legislature depend on rather subverting our mission when our decisions become uncomfortable. Here are some of our accomplishments.

Most recently we were a part of a coalition that united partners to push back against the power grab known as AB399 (County Water Authorities). We made a valiant effort in the legislature and brought a good many legislators around to the LAFCo cause but fell short against the big money water interests that control the legislature. It now sits with the Governor and even if we fail to get his veto, it was the right thing to do for all the right LAFCo reasons! Circumventing the law is never good when it comes to legislating around LAFCo's and local control. The win...we gained new respect and new partners on this issue.

We can also build on our legislative victory

with SB938 (Protest Provisions) that consolidated the protest provisions and gave LAFCo's greater options to reorganize under-performing local agencies. It is now up to individual LAFCo's to exercise this hard won goal and use our MSRs to not only evaluate local agencies but to bring about change in our local communities.

At our CALAFCO biannual retreat we focused on rebranding the association with a fresh and forward-looking approach to our goals, policies and practices. CALAFCO's new mission is: *"To promote efficient and sustainable government services based on local community values through legislative advocacy and education."* This is a proactive mission and it will require once again, our awesome LAFCo volunteers to be the change we seek!

So here is my challenge to all of you, are you ready...

To build on our new found momentum and make your LAFCo all that it can be?

To face threats to local control and direct attacks on LAFCO authority with a proactive agenda while exercising your independence while serving the public?

To leave the safe space of the status quo and become a proactive force for change?

To close, it was my humble privilege to serve as CALAFCO Chair and represent all of you - *our volunteers* - and be routinely impressed by such a dedicated group of professionals who bring forth new, and ever greater opportunities for CALAFCO's future.

The Wild and Wacky World of California Legislation

Written by: René LaRoche, Executive Director

Welcome to the Golden State, where the sun always shines, traffic never moves, and the legislative process is as bewildering as trying to parallel park in San Francisco. If you've ever wondered how laws are made in California, you're not alone. Get ready for a rollercoaster ride through the zany world of the California legislative process!

Who the Heck Makes Up These Crazy Laws?

In California, the State Legislature is composed of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members who are elected to represent all of the people of the State of California. These two houses work in parallel but they also serve as a check against the other's authority.

While some states have a legislature that only meets every other year, California's Legislature is considered a full-time legislature. Its Legislative cycle is two years, and runs from January to August or September, depending on whether it is an odd or even year. Of course, it should probably come as no surprise that a process as important and expansive as state legislation has multiple deadlines to meet and the legislative calendar is posted online prior to each year.

The Idea

So, now it's time to begin our journey, and the first step begins with a brilliant idea. Picture this: a group of Californians sitting around, probably at a trendy coffee shop somewhere, sipping almond milk lattes and brainstorming ideas for new laws. They may be legislators or their staff, constituents, local government officials, associations, lobbyists, or a whole host of sources. Their ideas may seem strange to some, but all are considered important by the proposer.

The Bill

Once an idea is hatched, it's time to turn it into a bill. In California, bills are like the Kardashians – they come in all shapes and sizes. It's like a legislative fashion show as

about 3,000 bills per year strut their stuff down the assembly and senate runways. But beware, not all bills make the cut. Some are deemed too ridiculous, too ambitious, too impractical, too costly, or simply too controversial.

Only legislators can author a bill. However, they can carry a bill for someone else, in which case they become the Author while the proposer is the Sponsor. That is an important distinction because, in the end, the bill belongs to the Author to do with as they will.

Legislative Counsel

With a bill, or an idea for one, in hand, the Author's first step is to submit the bill to Legislative Counsel prior to the January deadline. Leg Counsel, as it's fondly known, is literally the legislature's law firm. It is here that bills and amendments get drafted, among a host of other duties. If you think of it as a huge box filled with 100 attorneys, then you'll understand why the finished bills that pop out may bear little resemblance to what was submitted.

If the bill is backed – meaning a legislator has agreed to carry it – it will come out with the legislator's name attached to it, as well as a bill number prefixed with AB for Assembly Bill, or SB for Senate Bill. The bill will then be introduced in the appropriate house, which counts as the First of Three Readings needed to pass a bill. After introduction, the bill must wait 30 days before it can be acted upon. During this time, it gets sent to the Office of State Printing

Unbacked bills sit at the ready should a legislator later decide to run with it.

Policy Committee Time

The first stop for every bill is the Rules Committee of that house. In Rules, the bill's content is considered and referrals are made to the appropriate policy committee. Once that occurs, the bill will be scheduled in that committee where a lot of the real action will happen.

At this point, bills face two important deadlines: the deadline to pass out of the policy committee, and the deadline to



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Court “Depends” on LAFCO’s Conditions of Approval

Written by: Holly O. Whatley, Colantuono, Highsmith & Whatley, PC

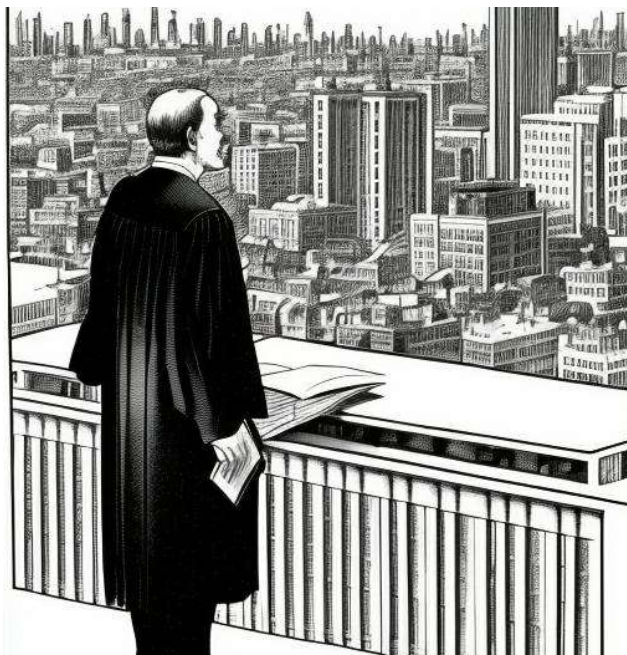
Introduction

Can a dissolved district be sued on the theory it must still “wind up” its affairs? In *Barajas v. Sativa L.A. County Water District* (*Barajas*), the Second District Court of Appeal gave a typically lawyerly answer: It depends.¹ *Barajas* represents the likely final chapter in the long running saga of the Sativa Los Angeles County Water District (*Sativa*), which struggled for decades to reliably provide adequate healthful potable water to the disadvantaged unincorporated community it served, Willowbrook, along with parts of Compton. The Court ultimately concluded in *Barajas* that *Sativa* could not be sued after Los Angeles LAFCO dissolved it, resting its holding squarely on LAFCO’s discretion to impose terms and conditions on the dissolution different than *Cortese-Knox-Hertzberg’s* (*CKH*) standard statutory ones. The decision affirms the broad discretion LAFCO’s possess when imposing conditions on their approvals, which is good news for all LAFCO’s.

Background

For over twenty years, *Sativa*, created in 1938, failed to comply with monitoring and reporting requirements regarding its water services, which culminated in a June 2018 compliance order from the State Water Resources Control Board (*Board*). That order found the district had failed to provide safe, reliable potable water and failed to comply with applicable rules about source capacity and minimum pressure requirements. The *Board* ordered *Sativa* to provide a corrective action plan, which the *Board* ultimately found inadequate.

Shortly after the *Board’s* order issued, Los Angeles LAFCO adopted a resolution to



initiate proceedings to dissolve the District, just days after a putative class action was filed against *Sativa* alleging it was liable to its customers for its failure to provide potable water. In September 2018, before LAFCO could complete the dissolution proceedings, the Legislature stepped in and enacted AB 1577, an urgency measure that gave the *Board* the power to dissolve *Sativa’s* board of directors and to designate an entity to administer the District. AB 1577 extended statutory immunity to the designated administrator, in recognition that without such immunity, the *Board* could not find an entity willing to take on the administrator duties.² The Legislature also “reaffirmed” Los Angeles LAFCO’s power to dissolve the District and designate a successor agency and created procedures enabling Los Angeles LAFCO to expedite the process.³

Just over a month later, the *Board* formally dissolved *Sativa’s* board, appointed the County of Los Angeles to serve as administrator for the District and contracted with the County for it to

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COURT DEPENDS

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assume full managerial and fiscal control. In December 2018, Los Angeles LAFCO gave notice of a February 2019 public hearing regarding Sativa’s dissolution, at which the Commission approved the dissolution. Among other conditions it imposed, it designated the County as the successor agency including for purposes of “winding up the affairs” of the District.

Meanwhile, Barajas’ class action suit proceeded, but this question arose: If the District and its board are dissolved, can the lawsuit proceed? The Court of Appeal found no bright line rule to apply, but rather held the answer turned on LAFCO’s conditions of approval.⁴

CKH and LAFCO’s Power to Condition Approvals

CKH provides that when a commission’s approval of dissolution is effective, the district “shall be dissolved, disincorporated, and extinguished, its existence . . . terminated. . . and all of its corporate powers . . . cease.”⁵ CKH permits LAFCO’s to choose either to designate the dissolved district to wind up its own affairs⁶ or it may designate a successor agency to do so.⁷ If LAFCO designates a successor agency, CKH provides further details regarding the powers and duties of such successor.⁸ Importantly, as the *Barajas* court recognized, LAFCO has the power to impose terms and conditions that differ from CKH’s default terms.⁹

The class action plaintiffs in *Barajas* argued that CKH’s standard dissolution provisions permit a dissolved district to continue to operate to wind up its affairs.¹⁰ They claimed this option meant a dissolved district *always* continues to exist to permit it to wind down. In other words, they urged the Court to conclude LAFCO did not have the power to condition dissolution on another entity performing the wind-down tasks. The Court rejected this claim, noting that CKH’s provision permitting a dissolved district to wind up its own affairs, such term was CKH’s default provision and that LAFCO’s generally have the power to specify terms and conditions different than CKH’s default provisions.¹¹ Here, Los Angeles LAFCO had designated the County as the successor agency responsible for winding up the dissolved agency’s affairs. The Court noted that if a dissolved agency necessarily continued to exist despite LAFCO’s condition of approval to the contrary, it would create an untenable situation of two agencies purporting to wind up the affairs, with only the one designated by LAFCO having actual control over the agency’s assets.¹² The Court found such a construction of CKH to be “nonsensical.”¹³

“The class action plaintiffs in Barajas argued that CKH’s standard dissolution provisions permit a dissolved district to continue to operate to wind up its affairs.”

The Court conceded that the Legislature’s grant of immunity to the designated administrator, the County, paired with LAFCO’s condition designating the County as the successor agency for winding up Saliva’s affairs, left Barajas with no entity to sue. The District no longer existed as a legal entity capable of suing or being sued, and the County was statutorily immune. But the Court rejected plaintiff’s argument that CKH *must* be construed to permit the lawsuit to proceed regardless. Given AB 1577’s express provisions granting immunity to the administrator and permitting LAFCO to dissolve the District using expedited procedures and appoint a successor to wind up the affairs, the Court determined the Legislature knew the result could be plaintiff’s lawsuit would be extinguished. But such result was no reason to “rewrite” CKH or otherwise limit LAFCO’s broad powers to impose terms

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Diary of a Rookie EO: What I Learned About Incorporations

Written by: J.D. Hightower, Executive Officer, San Joaquin LAFCo

Dear Diary: From a ski bum/delta rat/baseball nut that supports his incredibly bad golf habit as being the San Joaquin LAFCo Executive Officer, some random thoughts on incorporation. Although I need to preface that I am jones-ing from not getting enough rounds in lately, primarily because I couldn't take a backswing without looking like Charles Barkley because of a nervous twitch that began when we started the second CFA for Mountain House.

SJ LAFCo was lucky to have a great team working on the incorporation – Paula de Souza with BB&K and Jim Simon with RGS, as well as the entire BB&K/ RGS team. Paula and Jim played the course flawlessly. Like Bobby Jones said, “Golf is the closest game to the game we call life. You get bad breaks from good shots; you get good breaks from bad shots– but you have to play the ball as it lies.” They got a bad break with a rookie EO and despite that played the course superbly with about a two-foot putt for a birdie and a 10 under round. Reconsideration and CEQA challenges may cause the ball to break 5 feet but currently sitting on top of the leader board.



Leaning on my previous professional experiences, the Project Delivery Team (PDT) model that Caltrans uses was employed. The PDT meetings really proved Winston Churchill right when he said, "Let our advance worrying become advance thinking and planning." We learned that the incorporation resources available on the CALAFCO website are priceless. Also, the

ability to call upon the network of other EO's, especially Gary Thompson and the Riverside LAFCo team with their experience with the most previous incorporations, advanced the Mountain House effort. Luckily for Mountain House, the PDT was an all-star line-up and my job was to watch and back the best. As Yogi Berra said, "You can observe a lot just by watching."

Everything that was put on the back burner until the incorporation hearing is now on the front burner along with all the detailed follow-through with the incorporation – finalizing non-substantive edits to the resolution and exhibits, filing NOD and NOE, and taking some needed time-off. Such is life for an EO of a LAFCo with a total of 2.5 FTE, including myself. Looking back through the looking glass, hiring a project manager for the incorporation would have added cost but

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Santa Clara LAFCO Celebrates its 60th Anniversary

On June 7, 2023, six decades of current and former Santa Clara LAFCO Commissioners and staff, elected officials and government staff, and friends—nearly 80 people—came together to celebrate the 60th anniversary of Santa Clara LAFCO. They shared stories of Santa Clara LAFCO’s illustrious history and accomplishments, honored the dedicated individuals who have shaped the agency, and expressed optimism for Santa Clara LAFCO’s bright future.

Special guest speakers included former State Assemblymember Dominic Cortese (Commissioner 1969-1979), former County Board of Supervisor Blanca Alvarado (Commissioner 1994-2008), and former LAFCO Commissioner Susan Vicklund Wilson (Commissioner 1995-2023). In recognition of this momentous occasion, Santa Clara LAFCO received a Resolution of Commendation from Congresswoman Zoe Lofgren (Commissioner 1982-1994), a Joint Certificate of Recognition from State Senator Dave Cortese and Assemblymember Ash Kalra (Commissioner 2015-2016), and a Commendation from the Santa Clara County Board of Supervisors.

UPCOMING EVENTS

2024 CALAFCO Staff Workshop

April 23-26
Pleasanton, California
Hosted by Alameda LAFCo

2024 CALAFCO Annual Conference

October 16-18
Tenaya Lodge, Fish Camp, California

2025 CALAFCO Staff Workshop

March, 2025
TBD: Southern Region
Hosted by Riverside LAFCo



Fresh Ideas and Energy Abound at Napa LAFCo

By Stephanie Pratt

In the heart of Napa County, where the picturesque vineyards meet the rolling hills, changes are afoot at LAFCo where they recently welcomed three new Commissioners. In addition to these appointments, staff has also had some exciting changes, bringing fresh perspectives and new energy.

Anne Cottrell, LAFCo's Vice Chair, was elected District 3 Supervisor in 2022 and hails from St. Helena. With a Yale undergrad and UC Berkeley law degree, she has a diverse background, including Oregon's Attorney General's Office and land use law. Her extensive community involvement includes the Napa County Planning Commission, Climate Action Plan, and various advisory roles. Vice Chair Cottrell also co-chaired St. Helena's General Plan update and served on multiple boards. She values stewardship of District 3's resources and enjoys outdoor activities in the area during her free time. Anne's long-standing connections to the Napa Valley community allows her to bring a diverse and relevant background to LAFCo.

Belia Ramos, a Napa County native, has been on the Board of Supervisors since 2017 (District 5). Prior to serving on LAFCo and the Board of Supervisors, Belia was a law professor, operated her own company, and served as a member of the American Canyon City Council. As a community activist, she is committed to improving Napa County. She has been crucial in advocating for fire readiness, addressing congestion, and representing Napa County regionally. Governor Brown also appointed her to the 25th Agricultural District Board.

Joelle Gallagher, a lifelong Napa resident, was appointed as an alternate County member in 2022 to complete an unexpired term, with her current term 2021-2025. She was elected District 1 Supervisor in 2022, becoming the first woman to hold that position. Joelle has deep roots in Napa since 1992 and a strong track record of community service, including leadership roles at First 5 Napa County and Cope Family Center, as well her time serving as the County Planning Commissioner. Joelle has also contributed to agricultural and civic organizations serving as the Executive Director of the Napa County Farm Bureau and the Napa Valley Grape Growers Association, where she collaborated with industry and government to protect and promote agricultural resources.

With the addition of the new Commissioners, Napa LAFCo is off to a strong start and committed to working together to create greater efficiencies addressing the challenges facing Napa County - including climate change, water, and wastewater - while remaining committed to transparency and accountability.

The new leadership joins a diverse and committed LAFCo Commission that is excited to work with the community to create a better future for Napa County. They believe that by working together, they can make Napa County a more sustainable and livable community for all, particularly in areas such as agricultural preservation, service delivery, and efficiency. The Commission is also poised to tackle the thorny issues such as, climate change, drought, fire prevention and housing needs.

But these changes don't limit themselves to the Commission, Napa also has exciting changes within their staff. Dawn Mittleman Longoria has

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Happy Trails to Susan Vicklund Wilson

(Santa Clara LAFCo Commissioner 1995-2023)



On June 7, 2023, Santa Clara LAFCo presented former LAFCo Commissioner Susan Vicklund Wilson with a resolution of appreciation for her 28 years of distinguished service (June 1995 to May 2023). Several local representatives including Congresswoman Zoe Lofgren, bestowed her with commendations, further underscoring the significance of her contributions.

During her impactful tenure, Susan served as LAFCo Chairperson for 7 years, on the Finance Committee for 3 years, on Technical Advisory Committees for a variety of service reviews, and on two subcommittees that helped develop LAFCo's groundbreaking policies for Gilroy Agricultural Lands Area and LAFCo's Agricultural Mitigation Policies.

She also served on the CALAFCo Executive Board for 11 years, including as Chairperson in 2011; and on the CALAFCo Legislative Committee for 9 years. She attended nearly all of CALAFCo's Annual Conferences since 1995, often participating as a speaker or moderator for panels generously sharing her experience and expertise in LAFCo matters.



TRACKS AROUND THE STATE

BYRON DAMIANI, Amador LAFCo Executive Officer/Legal Counsel



On July 20, 2023, Byron Damiani Jr. was appointed as the new Executive Officer and Legal Counsel for Amador LAFCo. He replaces Roseanne Chamberlain, who is attempting retirement again after more than 16 years as the LAFCo Executive Officer. Byron comes to Amador LAFCo with an extensive background. He has practiced law for over 30 years, including more than 21 years working for the California Legislature as a Deputy Legislative Counsel. He has also served as the Alternate Public Member Commissioner on LAFCo since June 2007.

DAWN MITTLEMAN LONGORIA, Promoted to Napa LAFCo Assistant Executive Officer

On February 8, 2023, Napa LAFCo announced that Dawn Mittleman Longoria was promoted to the position of Napa LAFCo Assistant Executive Officer. Dawn has extensive experience as a LAFCo EO, consultant, and commissioner. Dawn also previously served as a special district board member and CALAFCo board member. She joined Napa LAFCo in January 2019 as the Analyst II and has recently been pulling double duty as the Interim Clerk. In addition to all that, Dawn currently serves as a CALAFCo Deputy Executive Officer serving the coastal region.

PRISCILLA MUMPOWER, Promoted to San Diego LAFCo Assistant Executive Officer

On June 9, 2023, San Diego LAFCo announced that Priscilla Mumpower was promoted to the position of San Diego LAFCo Assistant Executive Officer. Priscilla has been with San Diego LAFCo since 2020 and previously held the Local Government Analyst position.

CLAIRE DEVEREUX, Joins Marin LAFCo as New Clerk/Junior Analyst

Claire Devereux joined the Commission in July, 2023. As a Marin native, she brings an in-depth understanding of the area. She recently graduated with a B.S. in Public Policy, Planning, and Management and a Minor in Sustainable Business. Claire's experience and education in the public sector will make her a great addition to the Marin LAFCo team.

DIARY OF A ROOKIE EO

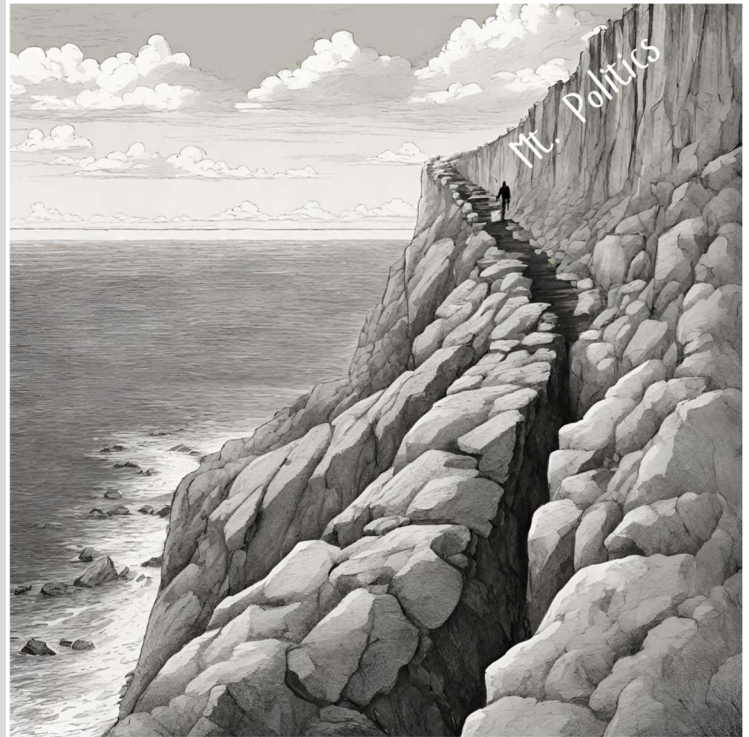
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would have allowed me more time to look at bigger picture issues as well as manage the day-to-day operations. However, having a great staff to support the effort was critical to project delivery. Mitzi and Claudia here in the SJ LAFCo supported the effort all the way and their “git ‘er done” attitude proved every day that Yogi Berra was right again when he said, “Nobody can be all smiley all the time, but having a good positive attitude isn’t something to shrug off.”

The whole experience of being an EO reinforces the lesson learned in my very first class in graduate school 38 years ago. The first words uttered by Professor Tokmakian at Fresno State was to raise your hands if you like arguing. Now being a Hightower means lively family gatherings. Each of us must take a side of an argument and make our case, regardless of whether we actually believe in that argument. Think of it like a family debate club. Nothing says a Hightower holiday like entering a debate on religion. Raising my hand immediately in that first class of grad school, Professor Tokmakian went on to explain that if we didn’t like arguing, then we were in the wrong program as everyone wants to argue with your decisions as a planner. (His suggestion for those who didn’t raise their hand was to go to the engineering or dental school.)

He taught that planning involves constructing a logical argument as a professional and that there are no absolutes. Absolutes are the realm of engineering, medical doctors, and dentists. My job as a planner is to construct an argument using the codes and policies of the agency that I am

working for. Those words have stood out in my memory for my entire planning career, especially now being the EO of a LAFCo and more especially since going through a process that last took place in



the state over 15 years ago. What they didn’t teach me at Fresno State was the precarious path of politics, often a trail along steep cliffs, in presenting your case to both internal and external customers. This was brought home during the incorporation hearing. At the hearing, an evening hybrid live/zoom workshop in Mountain House, no one spoke against incorporation. However, the MHCS board member with the most seniority presented a letter of “concerns.” This was the same member who voted to request LAFCo to initiate proceedings for incorporation 2.5 years ago and again a year and half ago which proves, again, that there are no absolutes in planning and everyone wants to present an argument. Let them play, “Let’s Make a Deal.” My deal is based on what the codes and policies state.

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Wild and Wacky

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move out of the originating house. If a bill fails to make either of those deadlines, it becomes a 2-year bill if it is the first year of the legislative cycle, or it dies if it is the second year.

Once in committee, the committee members will delve into the finer points of the bill. A staff analysis is drafted and public testimony is considered. The process is often like a reality TV show, complete with drama, alliances, and surprise twists. Will your bill make it out of committee alive or will it be voted off the legislative island? Often, the committee will insist on changes to the bill. However, once finally approved, it goes back to the floor for its Second and Third Readings.

Once on the floor, legislators have the opportunity to debate the bill. Sometimes, debates get heated (especially late in the day) but for the most part it is a very civil process. Occasionally, a protestor will yell something from the gallery, and proceedings will be recessed until the disruption can be controlled. Proceedings are streamed live but, if you're into reruns, recordings can also be found in the media archive.

Gut and Amends: The Zombie Bills

So, you've been following a particular bill and it missed the critical deadline to move out of the house of origin. Crisis averted! Time to put your feet up and grab a cold one, right? **Cue the lightning and scary music** Not so fast! Just like something from a zombie apocalypse movie, bills can rise again through a gut and amend process.

As the name implies, the process takes a bill that successfully passed out of the house of origin and now sits in the second house, and completely removes the old text (the gut), and replaces it with new language (the amend.) The end result can be a previously unseen bill or, more likely, a little monster bill that didn't make the deadlines but which now rises from the dead! In 2023, there were 1,121 of these zombie bills.

Once they pass the second house, gut and amends are usually referred back to the policy committees of the originating house. However, the legislature can also waive those rules if it so chooses, making gut and amends the fodder of nightmares!

Second Verse, Same as the First

Assuming that your bill of interest has moved on to the second house, then it must go through a

process similar to the first house that includes policy committees, readings, and floor votes.

If a bill gets off the floor of the second house unchanged, then this part of the process is pretty much done. However, if any amendments were made in the second house, then the changed bill has to go back to the originating house to agree to the changes – a process known as concurrence. If concurrence cannot be reached, the bill is referred to a two house conference committee composed of three members from each house to resolve differences. If a compromise is reached, the bill is again returned to both houses for a vote. If not, the bill **gasp** dies.

Engrossing and Enrolling

Consider for a moment an imaginary bill that traveled a twisted path to the end. Perhaps it had six or seven amendments before traveling to the floor, where more last-minute amendments were piled on. Who makes sure that the final version that goes to the Governor for signature is the correct one?

Well, like most government offices, the overworked and seldom seen clerks do that in a process known as Engrossing and Enrolling. It is the Engrossing and Enrolling Clerk who guarantees the integrity of the measures, and who will transmit the final version of the legislation to the Governor and the Secretary of State after it has passed both houses.

TAH DAH! The Governor's Desk

If your bill manages to make it through all of that then, congratulations! You've won the legislative lottery. But don't pop the champagne just yet – there's one more hurdle to clear. Your bill has to make it past the governor's desk.

By law, the governor has 12 days to take action on a bill. Action can be to sign the bill, veto it, or do nothing. If the governor signs the bill it, of course, becomes law (effective immediately on bills that carry an urgency clause, or at the first of the year for those that do not.) If the governor vetoes the bill, it does not become law; however, the veto can be overridden by a two-thirds vote in each house. Lastly, if the governor does nothing, the bill becomes law by default. It's like a game of legislative roulette where you hope that the ball lands on the right number!

So, there you have it – the wild and wacky world of the California legislative process. It's a bit like trying to surf a tsunami while juggling flaming swords but, hey, that's just how we roll in the Golden State. Regardless of the topic of the bill, the California legislative process is an adventure unto itself. Check it out some time!



Fresh Ideas

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been promoted to Assistant Executive Officer with a LAFCo career spanning over four decades. Her diverse experience in different roles within LAFCo provide her with a deep understanding of the organization's goals and operations. Her progression from intern to commissioner demonstrates that she not only excelled in her work but also contributed significantly to LAFCo's objectives. Her participation with CALAFCO underscores her adaptability and desire to contribute meaningfully to LAFCo operations and the broader CALAFCO community. Her work on the revisions to CKH contributed to the revival of LAFCo's relevance and effectiveness.

Dawn's accomplishments and work as a consultant for various LAFCos and fire districts validate her expertise in facilitating local government improvements. Her journey reflects her commitment to supporting LAFCo's mission throughout her career, underscoring her lasting impact on the organization and the broader community.

Napa has also hired a new Clerk/Jr. Analyst bringing a wealth of private sector experience along with a previous LAFCo role in Marin. Stephanie Pratt brings her passion for research, a background in government, along with a Bachelor of Science in Business Administration coupled with a minor in Journalism. Calling herself a "Solution Provider", she possesses an ability to wear many hats and take a proactive, creative approach to problem-solving proving to be invaluable in an organization that constantly faces complex challenges.

These traits are paramount when it comes to LAFCo's mission of overseeing local government boundary changes and ensuring the efficient delivery of municipal services. Her stellar communication skills are essential for liaising with various stakeholders, ensuring that LAFCo's objectives are met with precision. Her organizational prowess guarantees that the office runs like a well-oiled machine even when daily logistics and priorities shift. As she continues to grow in her role as Jr. Analyst, there is no doubt that her contributions and positive impact will continue to assist LAFCo's mission in Napa County toward greater efficiency and precision.

Court Depends

(Continued from page 6)

and conditions, even those that may differ from the Act's default terms.¹⁴

The Court's holding that LAFCO's have discretion on the conditions to impose, including those with terms different than CKH's default ones, while simply consistent with current statutory language, is nevertheless a welcome affirmation of LAFCO's broad powers as a "watchdog" for reorganizations within its county, including those initiated on its own.¹⁵ And for those curious about the current status of the former district, Los Angeles County made significant infrastructure investments and repairs to the system in the years after it took over as administrator, ultimately enabling the delivery of reliable, clean potable water to customers. In January of 2023, the County transferred the rehabilitated system to a privately owned utility regulated by the California Public Utilities Commission.

¹ (2023) 91 Cal.App.5th 1213, review denied (August 9, 2023).

² *Id.* at p. 1230.

³ *Id.* at p. 1220.

⁴ *Id.* at p. 1218.

⁵ Gov. Code § 57470.

⁶ Gov. Code §§ 56035, 57450.

⁷ Gov. Code §§ 56035, 57451, 56078.5.

⁸ Gov. Code §§ 57452, 57453, 57463.

⁹ 91 Cal.App.5th at 1227.

¹⁰ Gov. Code §§ 56035, 57450

¹¹ 91 Cal.App.5th at 1228.

¹² *Id.* at p. 1229.

¹³ *Ibid.*

¹⁴ *Id.* at p. 1230.

¹⁵ *Id.* at p. 1225.

The eight-page letter of concerns centered around the concern that, as a City, the homogenous income level of the community may be at risk. Over \$6,000,000+ in affordable housing fees have been collected by the County from Mountain House developers. This fee was set-up specifically for Mountain House, intended to be spent for projects within Mountain House. Yet the letter stated concerns about actually spending those funds for affordable housing in their community. The perception was that the funds collected could go to projects anywhere in San Joaquin County. Could NIMBY-ism be alive and well in the proposed City? We will see how this plays out with the registered voters. In this sense, incorporation has brought to light a timely debate on what type of community Mountain House wants to be: a fully integrated city, or an enclave of “like-minded” and income county residents.

The community pays more in property taxes than any other city in the county with \$14,000,000 collected annually by special taxes for Roads, Public Safety, Parks and Public Works. The MHCSO provides a high level of services, including CC&R enforcement. The incorporation transfers all powers of the MHCSO to the City except CC&R enforcement which will remain with the MHCSO. As such, MHCSO will be a subsidiary district to the City. The strength of the community lies in the built environment which has a great hometown feel because the CSO stuck to the plan. It has a town with a center for civic uses (town hall and second largest library in San Joaquin County) and park, with walkable and shaded streets. In fact, the first streets

constructed around 30 years ago have a complete tree canopy. Being a Lorax, speaking for the trees, this helps make Mountain House a great place to call home.

Learning the CKH has not been like learning Municipal Codes. Through my years, I have prided myself on being able to find answers in Municipal Codes usually within 10 minutes. It never mattered which city; just knowing how the codes are constructed was enough. The CKH is not constructed like muni-codes and every day I continue to refer to the index. I now know the approximate place on the document page ruler on the right-hand side that gets me to the approximate place where I will find the answer. Yet, after one year, I really don't know how the CKH is constructed. While my guesses to the questions posed on the EO listserve are usually right in principle, I am usually clueless as to where the answer is located. However, all of the EO questions and answers have proved to me another Yogi-ism: “In theory there is no difference between theory and practice. In practice there is.” In theory, the success of the Mountain House incorporation hearing is due in part to all of our collective day to day practices and the willingness to share. The great learning opportunities in the form of CALAFCO University courses, participating in the listserve, and attending the conferences have been invaluable. It truly takes a village to provide the knowledge needed for a rookie EO to make a recommendation regarding an incorporation effort.

Practicing and knowing the code is important as it prepares you to win an argument. As Coach Bear Bryant put it, “It's not the will to win that matters—everybody has that. It's the will to prepare to win that matters.” Coupled

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with this was my experience in Escalon, where the building inspector/official had a sign over her desk that said, "Arguing with a Building Inspector is like wrestling with a pig in the mud. Sooner or later, you realize the pig likes it." Same thing as a planner turned LAFCo EO - everyone wants to argue a point, especially during the incorporation process. Practicing and knowing the code is paramount to providing great customer service as a LAFCo EO. That's my value added, tips gladly accepted 😊. My practice is that findings and statements of facts (WHEREAS) are the stuff of resolutions. The main content of the staff report was finding that all factors in CKH Section 56668 were considered and that the incorporation was consistent with each factor.

After mind numbing hours of finding consistency with CKH factors and prescribed measures, the CFA became internalized. Case in point, during the initial information gathering for the CFA, the County initially constructed an argument that annual baseline law enforcement costs were \$9,000,000. Knowing that this was too high and would likely have severe negative consequences for the County, RSG developed a methodology showing costs around \$2,000,000 with the result of showing a de minimus financial impact on the County. Once the County figured out that the lower the baseline cost, the better their fiscal outcome, their argument construct evolved to show baseline law enforcement costs dropping to approximately \$141,000 with two (2) officers total. Obviously, it's important to know the methodology behind your

numbers and to believe in your answers. The CFA is a plan for the future City. Coach Bear Bryant said it best: "Have a plan. Follow the plan, and you'll be surprised how successful you can be."

KISSing (Keep it Simple, Stupid) the issue of the law enforcement expenditure delta allowed the issue to be settled. Having put together shift bids for transit operations in a previous life, we broke the issue down to shift coverage. Breaking it down to the shifts per week gained the necessary support. With 21 law enforcement shifts per day, and each officer capable of covering 5 shifts, there is a need for at least 5 officers at one per shift. With 27,000 Mountain House residents, and a General Plan goal of one sworn officer per 1,000 residents, the cost of 27 officers on a seven days a week 24 hours a day basis would have led to severe financial impacts to the County as related to law enforcement. In these types of discussions, it is important to listen to all sides and keep in mind that everyone is serving the public interest. That was illustrated in one of our last meetings when it was agreed that, while the methodologies were different, the final fiscal results were pretty much the same.

A final thought on incorporations. My favorite author, Ernest Hemingway, once said "When people talk, listen completely. Most people never listen." On October 14, the end of the reconsideration and CEQA challenge period will in large part tell if the bell tolls for me as a LAFCo EO.



ANNUAL REPORT 2023

FISCAL YEAR 2022-2023

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

CALAFCO

Sharing information and resources

1451 River Park Drive, Suite 185, Sacramento, California 95815
(916) 442-6536



The mission of CALAFCO is to promote efficient and sustainable government services based on local community values through legislative advocacy and education.

CALAFCO LEADERSHIP

June 30, 2023

BOARD OF DIRECTORS

Bill Connelly *(Butte - County), Chair*
Margie Mohler *(Napa - City), Vice-Chair*
Acquanetta Warren *(San Bernardino - City), Treasurer*
Daniel Parra *(Fresno - City), Secretary*

Rodrigo Espinosa *(Merced - County)*
Blake Inscore *(Del Norte - City)*
Gay Jones *(Sacramento - District)*
Michael Kelley *(Imperial - County)*
Debra Lake *(Humboldt - District)*
Jo MacKenzie *(San Diego - District)*

Michael McGill *(Contra Costa - District)*
Derek McGregor *(Orange - Public)*
Anita Paque *(Calaveras - Public)*
Wendy Root Askew *(Monterey - County)*
Shane Stark *(Santa Barbara - Public)*
Josh Susman *(Nevada - Public)*

STAFF

René LaRoche, *Executive Director*
Clark Alsop, *Legal Counsel*
Jeni Tickler, *Administrator*
Steve Lucas, *Executive Officer*
José Henriquez, *Deputy Executive Officer*
Dawn Mittleman Longoria, *Deputy Executive Officer*
Gary Thompson, *Deputy Executive Officer*



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MESSAGE FROM THE BOARD TREASURER

Acquanetta Warren

Back to Normal. With the pandemic receding further back in our rearview mirrors and people returning to offices and events, CALAFCO has returned to some of its normal rhythms. October, 2022, saw our first Annual Conference since 2019 — an event that was much welcomed by all! The Newport Beach weather was glorious as we learned some new information to help us in our roles as LAFCo commissioners while getting reacquainted with old friends.

Of course, the conference was followed by the Staff Workshop in April, 2023 — which was also three years in the making! It, too, was well-attended and seems to have been enjoyed by everyone there. Together, the two events brought both revenue and expenses that we haven't seen in our financial reports for awhile, but which account for upticks in the year-to-year comparison figures that follow.

Total revenues (including from events) for FY 22-23 posted 68.4% higher than last year, while total expenses (also including events) were 29.8% higher. Narrowing down to regularly occurring revenue categories we see a 4.9% increase in Member Dues, and a 309% increase in Other Revenues, mostly due to bank interest.

Conversely, operational expenses (which are all expenses except the event expenses) posted a 9.7% decrease from the prior period despite runaway inflation for much of the fiscal year. That could have been a different story had we not been proactive about cost savings measures as well as implementing new technologies to automate some processes. In the end, we ended the fiscal year with a surplus of over seventy-thousand dollars which the Board allocated to Contingency during its July 2023 meeting.

It has been a wild three years, but I am proud to say that CALAFCO is still going strong! Sound financial controls, cost cutting measures, and careful management of our funds have helped us to weather both the pandemic and historic inflation levels. We should all give thanks to the Board members and staff who came before us, who set this Association up for success, and who have managed its finances so well through the years. Because of all of those efforts, I am pleased to report that upon the conclusion of Fiscal Year 2022-2023, the Association continues to stand in sound financial shape. Selected data from the Association's financial data can be found later in this report. Full financial reports can be found in the Board's quarterly agenda packets or can be requested via email sent to info@calafco.org.

Thank you for allowing me the opportunity to have served as your Treasurer. It has been my utmost honor.



MESSAGE FROM THE EXECUTIVE DIRECTOR

René LaRoche

Moving Forward. With the pandemic now behind us, 2023 has been a time to normalize and begin evolving. The big change for CALAFCO, of course, was the return of our Annual Conference and our Staff Workshop. It has been wonderful to meet all of you face to face. It has also been a pure joy to see the laughter and jests among old friends catching up, as well as the emerging bonds being forged by new staff who were meeting for the first time. This is family and we do what we do for each of you.

However, CALAFCO has a tiny staff and the only way we can do as much as we do is with the help of a veritable army of volunteers who devote countless hours to work behind the scenes on every event and CALAFCO U. Thank you ALL for your time, as well as the frustration, lip biting and hair pulling that occurs out of public view on these things. Your efforts are always appreciated!

I also want to draw attention to our four regional reps who not only go above and beyond by committing their time but who also have never-ending patience with my questions! Thank you CALAFCO Deputy Executive Officers José Henriquez (Central), Dawn Mittleman Longoria (Coastal), and Gary Thompson (Southern) for organizing event programs and CALAFCO U sessions, for taking Board minutes, and for generally being around when I need someone to lean on. Special thanks to Steve Lucas (Northern) for acting as our CALAFCO Executive Officer. I'm probably the thorn in his side since he's usually the first call for extra projects but I appreciate him always being willing to serve! Thank you to one and all!

As you can see in the Treasurer's Report, we have been able to reduce some of our ongoing expenses through the implementation of technology, which was in keeping with our new Strategic Plan. Under that plan, we are charged with modernizing all things CALAFCO. Of course, to be a truly effective modernization, it was necessary to start with our infrastructure and we are building that out as we speak with the adoption of more cloud services, a new office location, and other changes. Our Strategic Plan also called for rebranding CALAFCO and the Ad Hoc Committee is currently working on that. It will be exciting to see what new look they devise for us!

As you can see, it is an exhilarating time for the Association as we stand on the cusp of a new and better CALAFCO. Obviously, there is a lot going on behind the scenes. Yet, we continually look for new ways to provide better services at reduced costs because we are committed to bringing you, our members, ever more value.

It has been a great year, and we anticipate that next year will bring us more of the same. On behalf of myself and the Board, I want to extend sincere thanks and gratitude to our members and many volunteers who help bring these efforts to life!



EDUCATION

Annual Conference — 220 Registrants
Staff Workshop — 98 Registrants
2 Webinars — 118 Attendees
26.4 AICP Educational Credits Offered



SERVICES

Fiscal Year 2022-2023

Educational Resource

Member Development & Communication

Information Resource & Policy Advocate

MEMBER SERVICES

57 Member LAFCos — 4 Regions
26 Associate Members
9 List Serves ~ 305 Subscribers
> 750 Members Supported



LEGISLATION

3,030 Bills Reviewed
22 Bills Tracked
8 Positions Taken
1 Bill Sponsored



Accomplished by:

*1.5 Employees
2 Part-time Consultants
4 Regional Volunteer Staff &
Numerous Committee Volunteers*



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FINANCIAL MANAGEMENT

The financial data that follows has been selected from the Association’s financial statements, which were prepared in accordance with Generally Accepted Accounting Principles (GAAP). Unabridged copies of all financial statements can be found in the Board’s July 14, 2023 agenda packet or may be obtained by sending an email request to info@calafco.org.

CALAFCO employs multiple safeguards to guarantee that the Association’s assets are safeguarded from unauthorized use, and that all transactions are scrutinized to ensure that they are authorized, executed, and recorded properly. In addition, the association records were monitored by James Gladfelter, C.P.A., of Alta Mesa Group, LLP, who monitored controls and performance through quarterly reconciliations.

OVERVIEW

With the Association again hosting events, FY 22-23 revenues rose 68.4% over the previous year. Out of the total revenues, approximately 61% derived from dues, 29% from conference revenues, and 8% from workshop revenues.

Of course, holding events also means that event expenses are again posting. This can easily be seen in the amount of total expenses which also rose approximately 30% from the previous year. Of the FY 22-23 total expenses, over 39% is associated with events. Personnel and Office Expenses also make up 48% of the total expense. However, it must also be noted that salaries and office expenses decreased 3.9% from the previous year despite the high rates of inflation experienced across the board in 2022. The remaining expenses represent normal operational expenses.

Overall, CALAFCO is in a sound financial position. Its revenues are up from last year, while key operating expenses have decreased slightly. As good stewards of Association funds, we continue to seek greater efficiencies and cost savings going forward with an end goal of providing you, our members, better services.

Acquanetta Warren
CALAFCO Treasurer

René LaRoche
Executive Director

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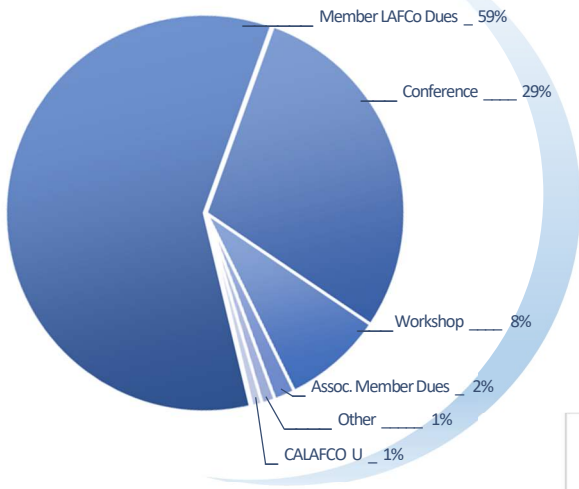
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STATEMENT OF FINANCIAL POSITION

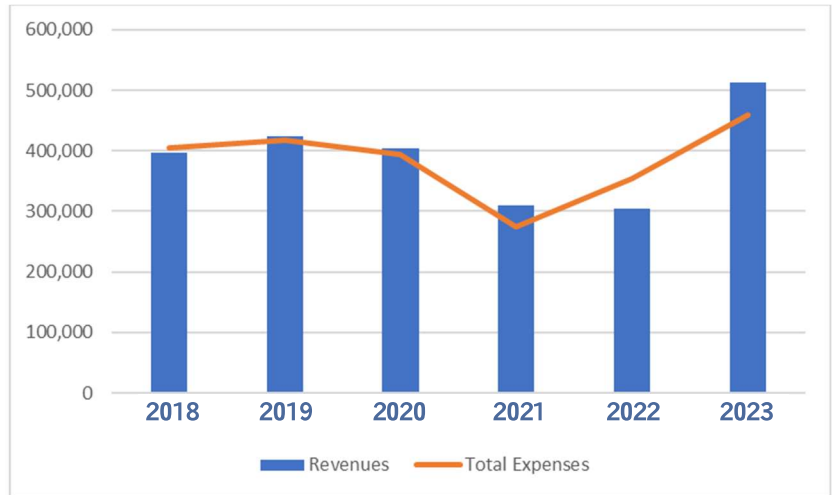
AS OF JUNE 30, 2023

ASSETS	2022	2023
Cash and Cash Equivalents	\$200,489	\$271,969
Accounts and Other Receivables	-\$ 13,779	-\$ 30,431
Prepaid and Deferred Expenses	\$ 14,792	\$ 2,700
Total Assets	\$201,502	\$244,238
LIABILITIES		
Accounts and Other Payables	\$ 7,992	\$ 9,175
Deferred Income	\$ 3,000	\$ 0
Accrued Expenses	\$ 7,930	\$ 0
Total Liabilities	\$ 18,922	\$ 9,175
NET ASSETS		
Unrestricted	\$ 69,986	\$ 19,826
Fund Reserve	\$ 162,754	\$ 162,754
Net Surplus/Deficit	-\$ 50,160	\$ 52,486
Total Net Assets	\$ 182,580	\$ 235,066
Total Liabilities & Net Assets	\$ 201,502	\$ 244,241

FY 2022-2023 REVENUES



HISTORIC REVENUES vs. EXPENSES



Thank You to Our Associate Members

CALAFCO GOLD ASSOCIATE MEMBERS



COLANTUONO
HIGHSMITH
WHATLEY, PC



CALAFCO SILVER ASSOCIATE MEMBERS

Berkson Associates
Chase Design, Inc.
City of Rancho Mirage
County Sanitation Districts of L.A. County
Cucamonga Valley Water District
David Scheurich
DTA
E Mulberg & Associates
Economic & Planning Systems (EPS)
Goleta West Sanitary District
Griffith, Masuda & Hobbs, a Professional Law Corp
HdL Coren & Cone
Holly Owen, AICP
LACO Associates
Policy Consulting Associates
P. Scott Browne
QK
Rancho Mission Viejo
Sloan Sakai Yeung & Wong, LLP
South Fork Consulting, LLC
SWALE Inc.
Terranomics Consulting



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