New Legislation Requires LAFCos to Plan for Disadvantaged Unincorporated Communities

By David J. Ruderman, Colantuono & Levin, PC

On October 7, 2011, Governor Brown signed SB 244 (Wolk, D-Davis), which makes two principal changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. SB 244 requires LAFCos to: (1) deny any application to annex to a city territory that is contiguous to a “disadvantaged unincorporated community” unless a second application is submitted to annex the disadvantaged community as well; and (2) evaluate disadvantaged unincorporated communities in a municipal service review (MSR) upon the next update of a sphere of influence after June 30, 2012.

The intent of the statute is to encourage investment in disadvantaged unincorporated communities that often lack basic infrastructure by mandating cities and LAFCos to include them in land use planning.

It represents an unfunded mandate from state government that presents a planning and financial challenge for LAFCos and cities in the coming year.

Changes to LAFCo Procedures. SB 244 defines “disadvantaged unincorporated community” as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80% of the statewide annual median. It prohibits a LAFCo from approving annexation to a city of territory greater than 10 acres (or as defined by LAFCo policy) contiguous to a disadvantaged unincorporated community unless an application to annex the disadvantaged unincorporated community has also been filed. Although SB 244 does not require LAFCos to approve the annexation of the disadvantaged unincorporated community as a condition for approval of the contiguous annexation, it will empower LAFCos to link the two decisions (San Bernardino LAFCo already does this as a matter of local policy for unincorporated islands without respect to income levels). This will likely add to the cost of annexations and could discourage applications for annexation.

SB 244 also requires LAFCos to consider disadvantaged unincorporated communities when developing
FROM THE CHAIR
2012: Best Year for the Association

I hope you had a joyous and safe holiday season and I wish you a great 2012.

I am confident that together we will make 2012 the best year for our Association. The regionalization of CALAFCO has inspired a new “home town” revitalization among our members. We have seen an increase in attendance and participation at our last two Conferences as well as at the regional caucuses. Speaking of the regional caucuses, the elections have been exciting and there have been more Commissioners running for the Board of Directors. It is also great to know the candidates better because they are from your neighboring LAFCos.

The Board has worked diligently to have an even distribution of officers and committee members from each region. The concept of regions has even brought a little competition to the Board.

The establishment of the regions has fostered more communication and support among LAFCos within that region. Some examples are: educational seminars, sharing of staff, issuance of a single RFP for an auditor to audit each of the LAFCos within that region and common purchasing.

As Board Chair, I am delighted to see the new organization being so effective. Sharing and communicating are vital to our Association, and I hope you will not hesitate to contact me if there are any issues that you would like to discuss. My phone is (661) 297-2200.

I see this as a very busy year for CALAFCO. There is a lot on the table, starting with a long legislative agenda and planning for another great Annual Conference, at the Hyatt Regency Monterey, from October 3-5, 2012. I look forward to seeing you in Monterey.

Together let us make 2012 a GREAT YEAR for CALAFCO!!
NEWS from the CALAFCO Board of Directors

The Board held its regular meeting on February 10th in Irvine.

New Board Members
The Board appointed Riverside LAFCo Commissioner Eugene Montanez to fill a Board vacancy from the Southern Region. Commissioner Montanez is the Mayor of Corona. The vacancy was created when Imperial LAFCo Commissioner Jon Edney lost his city council election in November. The Board thanked Commissioner Edney for his service.

Santa Barbara Commissioner and CALAFCO Board Member Cathy Schlottmann announced she was not reappointed to her commission effective March 1st. Chair Gladbach presented a plaque to Cathy in recognition of her five plus years of service on the Board. The Coastal Region is conducting a process to identify a special district commissioner to be appointed to the Board. Both seats will be up for election at the annual conference this October in Monterey.

CALAFCO Administration
The mid-year budget review showed revenues and expenses as planned, and no changes were made. The 2012-13 dues were discussed. The Board acknowledged the difficult finances for members. However, for the last three years, the Board did not increase dues by CPI as required in the Bylaws while expenses have grown. Therefore dues will increase by the 2.2% CPI. The Board also reaffirmed its policy that guests at conferences must purchase their meals; and meals are not transferable.

FROM THE EXECUTIVE DIRECTOR

Leadership in the New Reality

The new reality in which local agencies operate is opening innovative doors to collaboration and sharing services and resources among agencies. Conversations are beginning to occur that were unheard five years ago. And often LAFCo serves as the catalyst or facilitator of those conversations, even helping agencies solidify agreements for shared services, facilities and resources.

These groundbreaking agreements help bring financial and service stability to local agencies, but they also require leadership skills that move beyond solving technical problems. The new reality is also new leadership territory. The leadership skills and experience from the past are helpful, but the challenges – sharing across agencies – require adaptive solutions and an adaptive environment. It requires letting go of familiar ideas and practices. We have not been here before.

Technical Solutions versus Adaptive Challenges

People turn to their leaders to find solutions to the challenges faced. Ron Heifetz, a former emergency room doctor, uses the analogy of a broken bone. We go to the hospital with a broken bone, and the doctor knows exactly the steps to take to solve the problem. It generally requires little change or effort on the part of the patient (with the exception of some pain and a cast for a while) to solve the problem. The same is true for local agencies. There have been financial crises in the past, and management and governing boards had technical solutions to fix the problem: freeze hiring, short term borrowing, eliminate vacant positions, cut travel and so on. All solved the problem with limited requirement for significant change by the people involved.

Heifetz refers to these as the technical problems facing the organization. To a great extent many agencies continued through the current economic crisis implementing further technical solutions – positions have been downsized, services reduced, costs cut, reorganizations made. While difficult decisions, the fiscal and operations problems are being resolved through the application of management expertise and the organization’s current structures, procedures and ways of doing things. But the sustainable changes organizations will need to thrive in this new era for local government – to become a viable, high performing and financially sustainable organizations – require more than technical solutions.

Not Resistance to Change, but to Loss

Organizations are much like organisms: they tend to prefer the current situation to trying something new where the consequences are unpredictable and likely to involve losses for key parties. It’s not necessarily that organizations or people resist change. It’s when change involves real or potential loss, people hold
on to what they have and resist the change. That has stymied many technical solutions, or worse, left organizations stuck in a storming phase of change.

Governments struggle with how to reform themselves. Many are beginning to recognize there is a fundamental shift required to break from the past. The emerging interest in shared services and facilities, functional consolidations, and other new paradigms may on the one hand be technical solutions, but, to be sustainable, they require a different approach to leadership to address the inherent adaptive challenges.

Heifetz describes adaptive challenges as those that can be addressed only through changes in people’s priorities, beliefs, habits and loyalties. Making progress with these challenges requires going beyond any management expertise to mobilizing discovery, shedding certain entrenched ways, tolerating losses, and generating the new capacity among agency employees and governing boards to thrive anew. That includes LAFCo commissioners and staff. Continuing Heifetz’s’ earlier analogy, a patient who suffered a heart attack or discovered he or she has high blood pressure cannot simply be an observer as the doctor makes technical solutions. There may be technical surgery or drug solutions, but the adaptive challenge for the patient and his or her family is a fundamental change in behavior. This is not something the doctor can do but requires the patient to be involved in the change. These changes require letting go of familiar habits and behavior. And it’s not always successful.

It is the same for organizations. Preparing an organization for the adaptive challenges it will face may be the most difficult and important step. It is the adaptive elements of changing the ways an organization does business that most threaten the success of the technical solutions. Moving both organizations and their governing boards to new paradigms in shared decision making, services, or facilities requires letting go of the familiar and addressing adaptive challenges.

**Dispatch Center Case Study**
I discovered this a number of years ago when I helped a county move to computer-aided dispatch for sheriff, fire and ambulance. Everyone involved - dispatchers, officers, fire fighters, decision makers - agreed the old card and radio system was inefficient and dated. Everyone agreed a new computer-based system was needed. The technical solutions (technology, grant funding, training) were relatively easy to identify and, after some work implemented. What was not understood were the adaptive challenges, particularly for the dispatchers themselves. It was assumed training and application of management expertise would be sufficient to move dispatchers to the new system. It wasn’t. Not by a long shot and as a result the county lost some of its best dispatchers. What was missed?

What we did not understand was the need to recognize the losses placed on the dispatchers and help them work through those, while at the same time helping to conserve all the good that we wanted to carry through to the new system. What we came to understand was that despite the antiquity of the old system, the dispatchers had pride in their work, had created “work-around” processes which made them efficient, and, most importantly, had confidence they knew exactly what to do every time the phone rang. All of those things were being taken away as the team moved to the new system. In exit interviews with the dispatchers who left, the number one reason was they feared someone would die because they would make an error using the new system.

**Start the Conversation**
The adaptive challenges are considerable. Addressing them begins with engaging staff and elected officials in a conversation of what personal and organizational elements need to be left behind, should be retained, or need to be created. Likely this includes an exchange about the losses of authority and control created by shared decision making regarding those services or facilities. This is hard work, as Heifetz states, “... because it challenges individuals’ and organizations’ investments in relationships, competence, and identity. It requires a modification of the stories they have been telling themselves and the rest of the world about what they believe in, stand for and represent.”

The leadership required to move
organizations to deal with adaptive challenges is difficult, and at times risky, work. You will be confronting individuals’ and organizations’ investments in relationships, competence and identity. Be prepared to help people identify and acknowledge the losses as well as the ideals being carried into the future. Expect a period of disturbance – conflict, frustration, fear of losing something dear. Some will look for opportunities to resist the loss, by reneging on shared service agreements, for example.

**Adaptive Leadership Practices**

Three leadership practices can help. 1) **Manage yourself** through the process. Understand your own losses. Step away from the fray and take an objective look at what is happening around you. Manage your reactions to the resistance by others and recognize it may be resistance to loss not the change. Take care of yourself. 2) **Help people around you** tolerate the discomfort they feel. Recognize the losses and the grief process people are experiencing. Remind them of what’s being carried forward. 3) **Keep an eye on the shared purpose and outcomes.** It provides guidance, substance and inspiration when success looks bleak.

Building the individual and organizational capacities to address adaptive challenges requires the leadership of those who can see past the symptoms of resistance to the shared goals. One needs to help competent work forces and governing boards undergo adaptive change and examine some of the tough questions: what to conserve, what to discard, and how to leverage the strengths and innovation to create the organizational adaptability to thrive in changing environments. It is not possible to enjoy the rewards of achieving the shared purpose and goals without enduring the pain as well. Perseverance and an optimistic focus on the outcomes make the pain worthwhile. Remember the ultimate good you provide to communities by assuring sustainable and effective local services in a new era.

**NEW WHITE PAPER**

**LAFCos, General Plans and City Annexations**

CALAFCO staff and consultants have completed a major update to a research paper. “LAFCos, General Plans and City Annexations” is a Governor’s Office of Planning (OPR) paper that was last updated in 1997 – before C-K-H. Over the last six months CALAFCO has worked closely with OPR on the rewrite of this paper. It is now available for download from the CALAFCO web site.

The document provides a primer on LAFCos from a land use planning perspective. CALAFCO funded the update to the 1997 document as a member service.

CALAFCO is grateful to Executive Officer **Lou Ann Texeira** for her leadership of the project. We want to recognize **Carole Cooper** (Sonoma LAFCo) and **Steve Lucas** (Butte LAFCo) for their technical assistance. Special thanks to **Ken Lee** who was one of the original authors (RSG, Inc.) and **Holly Whatley** (Colantuono & Levin, PC) who wrote the update (with a lot of pro bono work)!

**Board Adopts 2012 Legislative Policies**

The CALAFCO Board of Directors adopted the 2012 Legislative Policies and Priorities at its February meeting. The Board reviews the policies annually.

Two new policies were added to reflect current LAFCo issues:

- Support continuance of the Williamson Act and restore subvention payments
- Support proposals which provide LAFCo with additional tools to encourage shared services among local agencies.

The Policies provide guidance to the Legislative Committee and direction in establishing position on bills introduced in the Legislature. The Policies are available on the CALAFCO web site.

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**Want to Read More?**


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Disadvantaged Unincorporated Communities

Continued from cover

spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCo to include in an MSR (in preparation of a sphere update):

1. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and

2. The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCo to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery. SB 244 also contains requirements for updating spheres of special districts and gives LAFCos authority to approve annexations to a city or special district of areas served by mutual water companies and to request information from mutual water companies. However, as mutual water companies are private entities that own their water systems, such systems cannot be transferred to a public water provider without the consent of the mutual water company or payment for the value of the asset transferred, either by voluntary sale or an eminent domain action.

Changes for Cities and Counties. SB 244 changes current law by requiring cities and counties to review and update the land use elements of their general plans on or before the next adoption of a housing element. An updated general plan must: (1) identify, describe and map “island,” “fringe” and “legacy unincorporated communities” within the city’s sphere of influence or, for the county, within the county; (2) analyze water, wastewater, drainage, and structural fire protection needs or deficiencies in these communities; and (3) analyze benefit assessment districts or other financing alternatives that could make extension of services to identified communities financially feasible. “Island” communities have the usual definition of that term. “Fringe” communities are inhabited unincorporated territory within a city’s sphere. “Legacy” communities are geographically isolated communities which have been inhabited for 50 or more years.

Interestingly, even though SB 244 is intended to help disadvantaged communities, it mandates land use element analysis of all unincorporated island or fringe communities and legacy communities, not just low-income communities. SB 244 also requires cities and counties to perform this review and update upon the deadline for each subsequent periodic revision to the housing element (i.e., not every amendment to the housing element, just those that are required by the Planning and Zoning Law) and, if necessary, update the land use element to its general plan accordingly.

Fiscal Impact. Generally, when the Legislature mandates a new program or a higher level of service on local government, it must provide funds to reimburse the local government for the cost of implementing the program or increased level of service. SB 244, however, does not reimburse LAFCos, cities, counties, or special districts for the increased cost arising from its mandate. Instead, SB 244 states “[n]o reimbursement is required” because a local government “has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.” Local agencies, however, may not have authority to levy fees to cover these increased planning costs. Under Proposition 26 (passed by voters in November 2010), there is some question about whether local agencies may recover advanced planning costs of the type SB 244 mandates from applicants for land use approvals to be granted under those plans. While the third exception to Proposition 26’s new definition of taxes (California Constitution, art. XIII C, § 1(e)(3)) does allow fees for regulatory purposes, the precise scope of the costs that may be recovered from such fees is uncertain. SB 244 does include a provision that authorizes cities, counties, and special districts to borrow under the Clean Water State Revolving Fund Loan Program for wastewater treatment facilities or services. However, given the fiscal state of local government throughout California, it is
Disadvantaged Unincorporated Communities continued

unlikely that borrowing money will be an attractive way to cover the costs SB 244 mandates. Moreover, even if the Proposition 26 issue can be overcome, fees on developers to recover advanced planning costs require there be development to bear those costs. In current economic conditions, that may be unlikely and, even when the economy recovers, there may not be substantial development in low-income unincorporated communities to allow local governments to recover these costs.

It can be expected that one agency or another—perhaps a city or a LAFCo with large planning costs under SB 244—may bring a test claim before the Commission on State Mandates. This is the conclusion of the state Department of Finance, which expressed concern that a claim of state mandate arising from SB 244’s requirements could result in “substantial state General Fund impact.” In the meantime, many local agencies can be expected to seek to recover these costs from planning permit fees or from a fee imposed on building and land use approvals to fund advanced planning costs. All agencies should, of course, track these costs to facilitate mandate reimbursement should that be forthcoming in the future.

In sum, LAFCos will need to review the disadvantaged unincorporated areas that lie within a city’s sphere of influence during upcoming MSRs, to provide the data needed to comply with the planning requirements for these communities’ public facilities and services. In addition, LAFCos should revise their local rules to include the requirements imposed by SB 244 to ensure they fulfill their obligations under this legislation. Finally, LAFCos may wish to consider whether to reduce the 10-acre standard for annexations which trigger the duty in cities to propose annexation of contiguous disadvantaged communities.

NEW 2012 LAW

Federally Recognized Tribes Can Now Join JPAs

By Brian R. Guth, Colantuono & Levin, PC

On September 6, 2011, Governor Brown signed AB 307 (Nestande, R-Palm Desert), which amends state law governing the creation of joint powers authorities (JPA). The statute authorizes federally recognized Indian tribes to join JPAs, but limits the authority of a JPA in which a tribe is a member to issue bonds. The bill makes it much easier for tribes and public agencies to work together through JPAs and may be helpful to local governments which wish to formalize service relationships with tribal entities, such as a services agreement for tribal casinos.

JPAs are created by agreement of federal, state, and local public agencies to collectively exercise powers they have in common, often delivery of a service. They address public needs like financing public facilities, forming self-insurance risk pools, regional or cooperative regulation, and joint service delivery. The Marks-Roos Local Bond Pooling Act of 1985 (a chapter of the Joint Exercise of Powers Act) authorizes local governments, via JPAs, to combine several small bond issues in one larger offering to lower their issuance costs. Such pooled bonds do not require voter approval and instead are approved by resolution of a joint powers authority because they typically qualify for such exceptions to voter approval requirements as those for utility revenue bonds, certificates of participation in financing leases, and the like.

The law which predated AB 307 authorizes two or more public agencies, as the statute defines that term, to enter into an agreement to exercise common powers. Federally recognized Indian tribes were not included among the “public agencies” eligible to participate in JPAs under the pre-AB 307 definition.

As a result, tribes could not join JPAs absent special legislation. In the past, only three tribes were authorized to join a joint powers authority by such legislation. Legislation to authorize several others to join one or another a JPA was vetoed or failed to pass at various times in recent years. AB 307 generalizes this rule and makes it easier for tribes to join JPAs, eliminating the need for special legislation.
AB 307’s first change is to broaden the statutory definition of “public agency” to include federally recognized Indian tribes. This change grants tribes the authority to join and participate in JPAs without the need for special legislation.

AB 307 also prohibits JPAs that include federally recognized Indian tribes from issuing bonds under the Marks-Roos Local Bond Pooling Act of 1985 unless: (1) the public improvements to be funded by the bonds will be owned and maintained by the JPA or one or more of its public-agency members, and (2) the revenue pledged to repay the bonds derive from the JPA, one or more of its public-agency members, or “any governmental or public fund or account, the proceeds of which may be used for that purpose.”

AB 307 creates opportunities for tribes and local governments to jointly exercise common powers and may provide a useful vehicle for municipal service agreements for services to tribes, their lands, and residents and guests of those lands.

NEW EXECUTIVE OFFICER AT YOLO LAFCO

Following the retirement of long-term Executive Officer Elizabeth Castro Kemper, Yolo LAFCO is pleased to announce the appointment of Christine M. Crawford as the new Executive Officer.

"The commission was very fortunate in having an outstanding group of highly qualified candidates to choose from for the executive officer position, which made a final selection challenging," said LAFCO Chair Olin Woods. "In the end, Christine Crawford's strong background in city and county planning, her educational achievements and her reputation for hard work, thoroughness, and ability to come up with win-win solutions to complex problems made her the commission's top choice for the job."

Since 1996, Christine has served as a principal consultant with PMC, specializing in assisting public agency clients. Recent consulting projects include serving as planning director for several jurisdictions in the greater Sacramento area.

Christine holds a bachelor’s degree in geography from UC Santa Barbara and a master’s in urban planning from UCLA. She is an accredited member of the American Institute of Certified Planners.

“I’m excited to be joining Yolo County LAFCo…,” she said in a news release. “I look forward to working with the commissioners, staff, and the community of agencies and special districts that we serve.”

Sonoma LAFCo Welcomes Commissioner

Sonoma LAFCo welcomes its new Alternate Public Member, Brian Elliott. Mr. Elliott was formerly chief of the Cloverdale Fire Protection District. He was appointed at the February 1st meeting of the Commission.
As many may know by now, the CALAFCO Board approved for distribution a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133; a statute that has been in effect since January 1, 2001 and governs the LAFCo approval process for cities and special districts to provide new and extended services outside their jurisdictional boundaries. The Board directed staff to solicit input from member LAFCos on the proposed language and then begin conversations with other stakeholders.

The proposal is a byproduct of three plus years of Legislative Committee discussions and rewrites led by a diverse working group consisting of members from Alameda, Butte, El Dorado, Napa, Nevada, Santa Barbara, San Bernardino, Santa Clara, and Sonoma LAFCos. Further, and notwithstanding moments of divide and rancor, the three plus years has been well spent as the Legislative Committee itself recommended CALAFCO Board approval given – principal among all others – it achieves a desired balance.

Markedly, this balance is reflected in the proposal by prescribing LAFCo with sufficient powers to protect against illogical outside service extensions while having additional discretion in determining when approvals are warranted based on local conditions.

Three key changes underlie the proposal. The first and most significant change expands LAFCo’s existing authority in approving new and extended services beyond agencies’ spheres of influence irrespective of public health and safety threats so long as LAFCos make three findings at noticed public hearings. These findings involve determining the extension: 1) was contemplated in a municipal service review and 2) would not result in adverse impacts on open-space and agricultural lands or growth, and 3) a later change of organization would not be expected or desired based on local policies. The second change clarifies LAFCos’ sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts and emphasizes the approval of service extensions.

Amending G.C. Section 56133 will measurably strengthen LAFCo’s ability to effectively regulate outside service extensions in concert with our evolving role in regional growth management. Specifically, if ultimately passed into law, I believe the changes will provide LAFCo more flexibility in accommodating service extensions lying beyond spheres of influence that are otherwise sensible given local conditions while clarifying the determination of when the statute and its exemptions apply rests solely with LAFCo. The changes would also strike unnecessary references to “contract or agreement approval” given these documents are generally prepared only after the proposed service extensions have been considered by LAFCo.

Considerable work remains as CALAFCO begins the process of vetting the proposal with interested stakeholders, including representative of local governments as well as the agricultural and environmental communities. The CALAFCO Board and Legislative Committee are also committed to hearing from all LAFCos on this important rewrite effort. Towards this end and to continue to facilitate follow up, regional coordinators are available to answer questions or receive comments on the proposed changes to G.C. Section 56133 as well as make presentations to interested LAFCos. The regional coordinators are listed below.

- **North**
  - Scott Browne, Nevada LAFCo
  - Steve Lucas, Butte LAFCo

- **Central**
  - Marjorie Blom, Stanislaus LAFCo
  - Ted Novelli, Amador LAFCo

- **Coastal**
  - Neelima Palacherla, Santa Clara LAFCo
  - Keene Simonds, Napa LAFCo

- **South**
  - Kathy McDonald, San Bernardino LAFCo
  - George Spiliotis, Riverside LAFCo
**Accelerating Climate Change and its Effects on California’s Water Resources**

Is LAFCo Ready to Meet this Contemporary Reality?

By Robert Shibatani

The U.S. Bureau of Reclamation’s Report to Congress, SECURE Water Act\(^2\) Section 9503(c) – Reclamation Climate Change and Water 2011, released in April, 2011, contained compelling findings on the extent and anticipated rapidity of forced climate change effects to California’s water resources. Table 1 shows future projections for select key hydrologic parameters in the Sacramento River watershed, as depicted for the Sacramento River at Freeport.

![Table 1](Image)

<table>
<thead>
<tr>
<th>Hydroclimatic Metric (Change from 1990's)</th>
<th>2020's</th>
<th>2050's</th>
<th>2070's</th>
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<tbody>
<tr>
<td>Mean Annual Precip. (%)</td>
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<td>0.6</td>
<td>-2.7</td>
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<tr>
<td>Mean April 1st Snow Water Equiv. (%)</td>
<td>-53.4</td>
<td>-75.9</td>
<td>-88.6</td>
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<tr>
<td>Mean Annual Runoff (%)</td>
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<td>2.5</td>
<td>-3.6</td>
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<tr>
<td>Mean December - March Runoff (%)</td>
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<td>13.6</td>
<td>11.0</td>
</tr>
<tr>
<td>Mean April - July Runoff (%)</td>
<td>-11.1</td>
<td>-23.0</td>
<td>-36.1</td>
</tr>
</tbody>
</table>

**Source:** Reclamation, 2011, SECURE Water Act, Section 9503(c) – Reclamation Climate Change and Water, 2011, Report to Congress, April 2011.

A warming climate is expected to reduce overall snowfall totals and, thus, snowpack accumulation. Accordingly, the mean April 1\(^{st}\) snow water equivalent is expected to decrease radically (second row), relative to 1990 conditions. A greater than 50 percent loss in seasonal water storage by the 2020s would impart significant consequences to current water resource management practice, a prospect that, if true, most of us will witness during our working lifetimes. The last two rows in Table 1 show the projected resultant mean December-March and April-July runoff, respectively. The latter row is highlighted as it represents the typical spring flood period. For the Sacramento River watershed, that runoff is projected to decline by approximately 11, 23, and 36 percent over the 2020s, 2050s, and 2070s, respectively, again relative to the 1990s. This has particular relevance since this is the period of the year when water use typically increases; yet anticipated instream flows are projected to decrease. As we already know, excess instream flow during these critical periods does not exist even to meet current user demands. How are we going to cope with even greater shortfalls?

As water purveyors throughout the State begin to seriously grapple with the implications of these prodigious findings, what new challenges do such changes in water management impose on LAFCo? Documenting the ability of water utilities to continually ensure that their water entitlements remain accessible, the ability to convey, treat, and distribute those supplies remain sound, and the governance and financial structures necessary to support their functions are in order is an important responsibility. Should LAFCo inherit the responsibility to re-assess performance function of water utilities different from long-standing historical paradigms in hydrology? For example, historical wet-year conditions, under future climate change, may no longer represent a wet-year. How would LAFCo reconcile those shifts in hydrology and vernacular?

New criteria for adaptation could be adopted by LAFCo to implement in, for example, their findings obligations in water Municipal Service Reviews (MSRs). Specific climate change analyses could reaffirm water utility statements that water supplies are indeed adequate. But it’s the timing that is relevant, not necessarily annual quantities. Independent templates to assess threshold exceedances are possible. But to do so, LAFCos run the risk of transitioning into the role of forensic auditor. An independent analysis by LAFCo of a water utility’s stated claim of water supply adequacy, under the threat of such complicated stressors as forced climate change, while clearly possible, would begin to markedly transform LAFCo’s current role. This is not a new discussion, but one that, under the auspices of climate change and its commanding implications to water resources, may warrant further consideration by LAFCOs. Is LAFCo prepared to first acknowledge this threat and second, proactively meet these challenges to what many, including Congress, are now claiming is the most significant accelerated change to one of our most important natural resources in contemporary times?

**Robert Shibatani is CEO and Principal Hydrologist of the SHIBATANI GROUP, Inc. IWA, Water, Energy & Climate Specialist Group (Den Haag, Netherlands)**

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\(^2\) The Omnibus Public Land Management Act of 2009 (Public Law 111-11) Subtitle F – SECURE Water was passed into law on March 30, 2009.
LEGISLATIVE UPDATE
CALAFCO Pursues Legislative Proposals

The Legislative Committee is working on several issues this year. In addition to the typical technical changes to C-K-H, we are seeking consensus on four proposals with the goal to include them in the annual Assembly Local Government Committee omnibus bill or a Committee bill:

Protest Provisions. 2012 is the first year in a multi-phase approach to at long last bring clarity and consistency to the confusing protest provisions in C-K-H. In this first phase the protest provisions are proposed to be moved to new sections so they are all in one place in the law. No substantive change to the provisions is proposed. Later phases – which will require negotiations with stakeholders – will address those issues. The proposal was prepared by former San Diego LAFCo and County Counsel Bill Smith with the support of San Diego LAFCo.

Transfer of Principal County for Sphere Changes. Current law, dating from 1971, allows LAFCo to transfer principal county responsibility to an affected county for changes of organization or reorganization, but is not specific on spheres. A court of appeals case ruled that a LAFCo could not transfer principal county for spheres, although a number of LAFCOs now do this by practice. This proposal would clarify the provision to allow the transfer.

LAFCo as an Eligible Agency for Strategic Growth Council Grants. This would allow LAFCo to apply directly for grants that support the preparation of sustainable community strategies and other planning efforts. Currently LAFCo must apply through a Metropolitan Planning Organization or other eligible local agency.

Waver of Notice and Protest Proceedings. This proposal streamlines and brings consistency to the confusing and contradictory proceedings for waiving notice, hearing and protest proceedings for annexations, detachments or reorganizations consisting solely of annexations, detachments or formation of CSAs. While the proposal is likely non-controversial, it does make substantive changes to CKH.
THE VIEW
Scenes from CALAFCO Activities

CALAFCO University Understanding Health Care Districts class in San Jose

Bay Area LAFCo staff meet at the top of San Francisco City Hall