

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 6/17/2014	(3) CONTACT/PHONE Dan Buckshi, County Administrative Officer (805) 781-5011	
(4) SUBJECT Consideration of AB 2453 regarding 1) proposed specific amendments to the bill from the California State Senate Governance and Finance Committee, and 2) a conceptual framework for implementation suggested by the California State Senate Governance and Finance Committee staff. Districts 1 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board, as separate action 1) consider and discuss the proposed specific amendments to AB 2453, as provided by the California State Senate Governance and Finance Committee (Committee), 2) consider and discuss the conceptual framework for implementation suggested by the Committee staff, and 3) provide direction to County staff on how the adopted 2014 Legislative Platform is to be interpreted regarding any future amendments to AB 2453.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>45 min.</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 2/18/14, Addendum #3	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 1 District 5			

County of San Luis Obispo



TO: Additions, subtractions and corrections to the Board of Supervisors Agenda

FROM: Administrative Office
Dan Buckshi, County Administrative Officer

DATE: 6/17/2014

SUBJECT: Consideration of AB 2453 regarding 1) proposed specific amendments to the bill from the California State Senate Governance and Finance Committee, and 2) a conceptual framework for implementation suggested by the California State Senate Governance and Finance Committee staff. Districts 1 and 5.

RECOMMENDATION

It is recommended that the Board, as separate action 1) consider and discuss the proposed specific amendments to AB 2453, as provided by the California State Senate Governance and Finance Committee (Committee), 2) consider and discuss the conceptual framework for implementation suggested by the Committee staff, and 3) provide direction to County staff on how the adopted 2014 Legislative Platform is to be interpreted regarding any future amendments to AB 2453.

DISCUSSION

At the June 11, 2014 budget hearing, your Board voted to place on the June 17, 2014 agenda a Board Business item regarding proposed California State Senate amendments to AB 2453. Staff has organized this report into three unique sections so that these proposals and other issues may be efficiently considered and discussed on an individual basis.

Action #1 – Consider and Discuss the Proposed Specific Amendments to AB 2453

On June 4, 2014, your Board received correspondence from Assemblyman Katcho Achadjian regarding proposed amendments from the State Senate Committee on AB 2453. Assemblyman Achadjian's letter, which requested approval of the amendments, is included as Attachment "A". Of the eleven proposed amendments, most were of a technical nature, with the only substantive change being the removal of property ownership as a requirement for the three "at-large" director positions. A strikethrough version of the proposed amendments is included as Attachment "B".

Consistent with the Legislative Platform adopted by your Board in a public meeting on February 18, 2014 (Attachment "C") and in accordance with established Board procedures, your Board responded to Assemblyman Achadjian in a letter dated June 9, 2014 (Attachment "D") that the proposed

amendments fell within the adopted Legislative Platform and no further action was necessary. The adopted Legislative Platform states the County Board of Supervisors and Board of Supervisors for the County Flood Control and Water Conservation District:

“supports special legislation to facilitate creation of a new independent Water District with unique governance features that reflect the diverse interests of landowners overlying the Paso Robles Groundwater Basin...provided that said legislation does not change existing Water District formation procedures without Local Agency Formation Commission support, nor affect or limit the County or the Flood Control and Water Conservation District’s exercise of authority to manage groundwater in the Paso Robles Groundwater Basin”.

As indicated in your Board’s June 9, 2014 letter, the proposed Senate Committee amendments did not conflict with the adopted Legislative Platform. Specifically, the letter stated that:

- 1) Most of the amendments are technical and do not have a significant effect on the governance structure of the district, and
- 2) Removal of the requirement that the three (3) directors elected by registered voters within the district at-large be landowners within the district broadens the representation of interested parties, with no negative effects to other interests.

The local proponents of AB 2453, the Paso Robles Agricultural Alliance for Groundwater Solutions (PRAAGS) and the Paso Robles Groundwater Basin Overliers for Water Equity (PRO Water Equity) supported these specific amendments, with their respective letters of support included as Attachment “E”. Assemblyman Achadjian replied with a letter to your Board on June 10, 2014 (Attachment “F”) that he would proceed with the amendments and continue the discussion at the June 18, 2014 Senate Governance and Finance Committee Hearing.

Action #2 - Consider and Discuss the Conceptual Framework for Implementation

On June 10, 2014, staff of the Senate Governance and Finance Committee provided a memo outlying a conceptual framework for implementation of the proposed water district (Attachment “G”). The memo contemplates two new procedural mechanisms for the water district. The first concept provides for the Board of Supervisors to appoint the nine members of the board, upon the law becoming effective, with all successive members being elected at their normal election cycle. The memo identifies such benefits as quicker formation of the district and that the appointments would be consistent with the governance structure of AB 2453.

The second concept discussed in the memo is the creation of a “trigger” for the conversion of the district from a hybrid landowner voting district to a 100% registered voter district. The memo references two examples from existing law where:

- 1) The trigger for conversion occurs when the district begins providing electricity services (SB 1939, Alarcón, 2000) and/or
- 2) The trigger for conversion occurs when the district provides 3,000 or more acre feet of water to residential customers or has more than 3,000 customers (AB 159, Salinas, 2006).

Clarification from Committee staff regarding this trigger concept indicates that their intent is for the conversion from a landowner voting district to a registered voter district to occur at the first election of each district board member instead of relying on the triggers provided under the above mentioned existing laws. Since the concept outlined by Committee staff is for County Board of Supervisor appointment followed by a registered voter election, there never would be an opportunity for any landowner voting. Simply put, the trigger for conversion would become the first election held.

PRAAGS and PRO Water Equity have had an opportunity to review this conceptual framework for implementation of the district and have jointly provided their comments (Attachment "H"). These two groups support the recommendation to have the Board of Supervisors appoint the initial board of directors for the district, as well as a conversion from a landowner vote to a registered voter election as long as the trigger event for conversion is consistent with existing laws set forth in SB 1939 and AB 159. In their response, they specifically identify the triggers as:

- 1) The district provides electrical service to residential customers (SB 1939, Alarcón, 2000), or
- 2) The district provides 3,000 or more acre-feet annually of water to residential customers (AB 159, Salinas, 2006), or
- 3) The district services 3,000 or more residential customers (AB 159, Salinas, 2006).

Action #3 - Direction on How the Adopted 2014 Legislative Platform is to be Interpreted Regarding any Future Amendments to AB 2453

Finally, staff is seeking direction on how to proceed with any future amendments to AB 2453. Legislative items can be subject to numerous amendments as they work towards becoming law. AB 2453 is no exception, and it is anticipated that more amendments could come forward, with most of these amendments requiring immediate response.

The purpose of the adopted Legislative Platform is to allow for staff to be responsive to the amendments within the scope of the approved platform and act accordingly without additional consideration from your Board. This enhances staff's ability to be efficient in responding to the amendments and prevents redundant work efforts.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel is providing legal guidance on all aspects of the County's work on the basin. Formation of a district would be subject to the LAFCo process. The County Clerk-Recorder's Office and Assessor's Office work with LAFCo to administer the voting process called for under state law.

FINANCIAL CONSIDERATIONS

There are no direct financial impacts associated with providing input on AB 2453.

RESULTS

This item provides for additional consideration of proposed amendments and of a conceptual implementation framework for AB 2453, as well as further clarification of the adopted Legislative Platform.

Reference: 14JUN17-BB-2

ATTACHMENTS

1. Attachment A - June 4, 2014 Achadjian Letter and Proposed Amendments
2. Attachment B – Strikethrough Version of Proposed Senate Committee Amendments for AB 2453
3. Attachment C – Legislative Platform for the Paso Robles Groundwater Basin (Adopted 2/18/14)
4. Attachment D – June 9, 2014 Board of Supervisors Letter to Assemblyman Achadjian
5. Attachment E – June 9, 2014 Letters of Support from PRAAG and PRO Water Equity
6. Attachment F – June 10, 2014 Achadjian Reply Letter
7. Attachment G – June 10, 2014 Memo re AB 2453 from Senate Governance and Finance Committee Staff
8. Attachment H – PRAAG and PRO Water Equity Proposal to June 10, 2014 Senate Committee Staff Memo