

SUTTER COUNTY

LOCAL AGENCY FORMATION COMMISSION

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October 23, 2008

To: Local Agency Formation Commission

Re: **Presentation on the process for implementing SB 1458's provision of designating the latent powers of County Service Areas.**

Recommendation

This item is informational only. Staff recommends that the Commission receive the following information regarding Senate Bill 1458 and the designation of a CSA's power as "latent."

Background

County Service Areas

The County Service Area Laws (Government Code Section 25210 et seq.) authorize the formation of county service areas (CSA) to provide authorized services, as specified. A CSA is a type of local government, similar to a special district, but is a dependent agency with no independently elected board to govern it. A county board of supervisors always governs a CSA which can provide any county service or a higher level of any county service that the county government provides to an unincorporated area. In short, a CSA delivers more county services to a specific geographic region.

SB 1458 (Senate Local Government Committee)

SB 1458 creates a CSA Law that differs from the previous statute in many ways, but particularly in policy, power, procedures, and oversight. It streamlines the process for the formation and changes in CSAs by bringing the law into consistency with the Cortese-Knox-Hertzberg Local Government Reorganization Act, Proposition 218, the Political Reform Act, and the Brown Act.

SB 1458 repeals the existing statutes that govern CSAs and enacts a new CSA Law with eight detailed articles:

1. General provisions, including legislative declarations and definitions.
2. Formation procedures, with local agency formation commission approval.

3. General powers, covering basic governance topics.
4. Services and facilities.
5. Finance, covering budgets, audits, and borrowing.
6. Revenues, including special taxes, benefit assessments, and fees.
7. Capital financing, covering three types of bonds.
8. Zones, allowing for localized financing and special services.

CSA Latent Powers

Of highest significance, SB 1458 requires LAFCO to designate a CSA's powers as active or latent by January 1, 2009. "Latent powers" are defined as any service or facility authorized by Article 4 (commencing with Section 25213) that LAFCO has determined, pursuant to subdivision (h) of Section 56425, that the county service area was not authorized to provide prior to January 1, 2009 (Government Code section 25210.2 (g)).

In addition, the bill also requires the Board of Supervisors to receive LAFCO approval prior to exercising a latent power (Section 25213.5) or prior to divesting a CSA of the authority to provide a service or facility, if the proposed divestiture would require another public agency to provide a new or higher level of services or facilities (Section 25213.6).

Process and Timeline for Determining Latent Powers

In order to comply with SB 1458, staff will create an inventory of latent services, those not authorized to be provided by the CSAs, by January 1, 2009. This inventory will be compiled from information contained within the Municipal Service Reviews and directly from the CSAs through collaborative meetings with LAFCO staff to discuss the designations, giving the CSAs sufficient advance notice and opportunity to present their case prior to Commission action. Staff plans to return with a recommendation for latent powers designations at the combined November/December meeting for Commission discussions and approval.

Respectfully submitted,
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EXECUTIVE OFFICER

Sydney Vergis
Senior Planner

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