

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
February 20, 2018 at 1:30 p.m.

- 1. Call to Order, Flag Salute, Invocation and Roll Call**
- 2. Adoption and Adjustment of Agenda**
- 3. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.
- 4. Consent Calendar:** If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.
 - A. Approval of the Minutes of the Regular Board Meeting, February 5, 2018* (p. 3)
 - B. Approval of the Minutes of the Engineering Workshop, February 12, 2018* (p. 7)
- 5. Reports:**
 - A. General Manager's Report
 1. Operations Report
 2. General Agency Updates
 - B. General Counsel Report* (p. 9)
 - C. Directors' Reports
- 6. New Business:**
 - A. Consideration of Nominees for Local Agency Formation Commission (LAFCO) Special District Board Member Election and Countywide Oversight Board Member* (p. 11)
 - B. Update on California WaterFix
- 7. Topics for Future Agendas**
- 8. Announcements:**
 - A. EBX II Grand Opening, **Thursday**, February 22, 2018
- Citrus Reservoir and Pump Station, 10:00 a.m. – 12:00 p.m.
(Shuttle Parking: Redlands Sports Park – Soccer Complex
*Do not park at Citrus Reservoir)
 - B. Water Conservation and Education Committee meeting, **Thursday**, February 22, 2018 at 1:30 p.m.
 - C. Finance and Budget Workshop, February 26, 2018 at 1:30 p.m.
 - D. San Gorgonio Pass Regional Water Alliance, February 28, 2018 at 5:00 p.m. – Banning City Hall
 - E. Water Rate Workshop, **Thursday**, March 1, 2018 at 6:00 p.m.
 - F. Regular Board Meeting, March 5, 2018 at 1:30 p.m.

9. Closed Session (2 Items)

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of case: San Geronio Pass Water Agency vs. Beaumont Basin
Watermaster
Case No. RIC 1716346

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment

10. Adjournment

Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com (3) Any person with a disability who requires accommodation in order to participate in this meeting should

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 5, 2018

Directors Present: David Fenn, President
Lenny Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director
Stephen Lehtonen, Director
Michael Thompson, Director

Director(s) Absent: Ron Duncan, Vice President

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 1:30 p.m., February 5, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Castaldo gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* There being none the Agenda was adopted as presented.
3. **Public Comment:** *President Fenn asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 16, 2018
 - B. Approval of the Minutes of the Finance & Budget Workshop, January 22, 2018
 - C. Approval of the Finance & Budget Report, January 22, 2018
 - D. Approval of the Minutes of the Special Board Meeting, January 29, 2018

Director Stephenson made a motion, seconded by Director Castaldo, to adopt the consent calendar as presented. Motion passed 6-0, with Director Duncan absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered 1204 acre-feet of Table A water to the Noble Creek Connection for month of January. **(b)** Pumping will be decreased from 24 hours a day to 18 hours per day in February. The purpose of the decrease is to reduce operating costs, as it is only a 20% Table A water allocation year at this time. **(c)** On January 29, DWR announced that it is increasing the allocation of 2018 State Water Project (SWP) water from 15% to 20%. **(d)** During the month of March there will be no water deliveries; this is due to the annual month

long maintenance. There was no shut down last year due to last year being a historical wet year. **(e) DWR** decided to keep Lake Oroville's water level low by moving water downstream to the San Luis Reservoir. Due to this action there is still a possibility of spilling occurring at San Luis Reservoir this year and the Agency losing some of its carryover water.

(2) General Agency Updates: **(a) Southern California Water Coalition (SCWC) Quarterly Luncheon:** General Manager Davis reported that he attended the SCWC Quarterly luncheon on January 19th, of which the Agency helped sponsor. The speaker at the event was Eileen Sobeck, Executive Director of the State Water Resource Control Board. The event was well attended. **(b) Prop 1 Storage Projects:** General Manager Davis reported on the Prop 1 Public Benefit Ratios and how they relate to Sites Reservoir. The California Water Commission staff gave the Sites project a ratio rating of 0.4. Of the eleven projects that applied for funding – five received zeros and six received less than 1.0. There is a three week period to appeal. **(c) Managers Meeting:** General Manager Davis reported on the first Managers meeting that was held last week. The Managers agreed to meet on a bi-monthly basis; the next meeting is scheduled for March. **(d) Noble Connection Enlargement Update:** General Manager Davis referred the Board to correspondence that was in the agenda packet between DWR and the Agency. DWR needs to send the Agency an invoice, at which point the Agency will send a check and then design drawings for review. **(e) SGMA Update:** We won't find out about our grant proposals for San Geronio Pass sub-basin until the middle of this month. Once we hear about them we will call a meeting of the San Geronio Pass GSA. Yucaipa GSA met last week. San Tim GSA has met previously and it is anticipated that the next meeting will take place sometime this month. GSP's are due in 2022. **(f) Email Accounts:** All Directors now have email accounts and the email address will be provided on the Agency's website under each Director's bio. **(g) EBX II Grand Opening Event:** The event will take place on Thursday, February 22nd from 10:00 am 12:00 p.m. President Fenn will be asked to say a few words regarding what this facility means to our region. Two-hundred and twenty invites are being sent out. There will be media coverage. All Directors are encouraged to attend. **(h) Water Rate Study:** The Agency contracted with David Taussig and Associates to do a Water Rate Study. We would like to schedule an initial workshop to get input from the public and from retail water agencies. The first available date would be on Thursday, March 1. The Board was agreeable to the March 1st date and asked that the meeting be held in the evening.

B. General Counsel Report: General Counsel Ferre deferred from reporting.

C. Directors Reports:

(1) Director Stephenson reported that he attended the SCWC luncheon that was held on January 19th. He commented that he was able to network with colleagues which was beneficial. **(2) President Fenn** reported on the SCWC luncheon that he attended on January 19th. He noted that the CalWater Fix hearings will be held four days a week until May. **(3) Director Ball** reported on the Beaumont Cherry Valley Water District workshop that was held on February 1st.

6. New Business:

A. Consideration of Acceptance of 2016 Water Conditions Report: A staff report and the 2016 Report on Water Conditions were included in the agenda packet. General Manager Davis stated that staff reviewed the report with the Board in detail at the December Engineering workshop. General Manager Davis reviewed with the Board changes made to the report since the workshop. Director Stephenson made a motion, seconded by Director Lehtonen, to accept the 2016 Water Conditions Report as presented. Motion passed 6-0, with Director Duncan absent.

B. Discussion of Possible Action of Proposed Budget Revisions: A staff report and a copy of the Budget Revision for Board Approval #1-A were included in the agenda packet. The purpose of this proposed Board action is to approve a budget revision recommended by the Board at the January 22nd Finance and Budget workshop to transfer \$5,855,985 from the Debt Service Fund to the General Fund in this fiscal year. President Fenn asked the Board if it wishes to make a one-time transfer or to make transfers over a period of four years. Director Thompson made a motion, seconded by Director Lehtonen, approving a budget revision from the Debt Service Fund to the General Fund by making a one-time transfer of \$5,855,985. Motion passed 6-0, with Director Duncan absent.

7. Topics for Future Agendas: Director Ball requested that General Manager Dan Jagers (BCWWD) attend the Agency's February 20th Board. He requested that Mr. Jagers provide the Board with his Strategy to Secure and Fund Water Supply for the SGPWA to Ensure Sustainability to the Year 2050 presentation that he gave to the SGPRWA on January 24th. After discussion, the Board directed staff to provide Mr. Jagers PowerPoint slides and white papers in the February 12th Engineering workshop agenda packet, for informational purposes. A Special Meeting may be arranged at a later date for Mr. Jagers' presentation.

8. Announcements:

- A. Engineering Workshop, February 12, 2018 at 1:30 p.m.
- B. Office closed February 19, 2018 in observance of Presidents' Day
- C. Regular Board Meeting, **Tuesday**, February 20, 2018 at 1:30 p.m.
- D. Finance and Budget Workshop, February 26, 2018 at 1:30 p.m.

9. Closed Session (3 Items)

*President Fenn asked General Counsel Ferre if there will be any reportable action after Closed Session. General Counsel Ferre did not anticipate any reportable action. President Fenn called the **Closed Session at: 2:04 p.m.***

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the South Mesa Water Company
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: David Armstrong, General Manager, South Mesa Water Company
Under negotiation: price and terms of payment

- C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9
One potential case

The meeting reconvened to open session at: 3:56 pm

General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

10. Adjournment

President Fenn adjourned the meeting at: 3:56 pm

Draft – Subject to Board approval

Jeffrey W. Davis, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
February 12, 2018

Directors Present: David Fenn, President
Blair Ball, Director
David Castaldo, Director
Ron Duncan, Director
Steve Lehtonen, Director
Leonard Stephenson, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Cheryle Rasmussen, Executive Assistant

1. Call to Order, Flag Salute and Roll Call. The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Director Duncan at 1:30 p.m., February 12, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Duncan led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment. No members of the public wished to speak at this time.

3. Review of 2018 Water Bond Initiatives. General Manager Davis reviewed the two water bonds proposed for this year—Prop 68, scheduled for the June ballot, and the Water Supply and Water Quality Act of 2018, proposed for the November ballot. Additional information was included in the agenda package. General Manager Davis asked if the Board wished to endorse one or both bond issues. The Board indicated that they would like more time to review the information and asked that he bring this back for discussion at the March 19 Board meeting.

4. Review of Proposed Water Conservation Regulations. General Manager Davis handed out and reviewed a proposed comment letter to the State Board regarding its proposed water conservation regulation “Wasteful and Unreasonable Water Use Practices.” The letter indicates that the proposed regulation is contrary to California water law and proposes working with the State Board to make revisions that would accomplish the conservation goals without encroaching on water rights. The Board indicated that General Manager Davis could sign the letter.

5. Discussion of Required Water Quality Modeling for 2018. A copy of a 2008 Cooperative Agreement and a 2009 Memorandum of Understanding were included in the agenda package. General Manager Davis reviewed the history of the Triennial Water Quality Report required by the Santa Ana Regional Board with the Board, and reviewed the Agency’s responsibilities under the 2008 Cooperative Agreement. He indicated that he did not budget funds for this modeling this year and thus a budget revision would be required at some point.

6. Information Only – General Manager Dan Jagger’s (BCVWD) PowerPoint Slides and White Papers presented to San Gorgonio Pass Water Alliance on Strategy to Secure and Fund Water Supply for the SGPWA to Ensure Sustainability to the Year 2050. Mr. Jagger summarized his presentation for the

Board and indicated he would be willing to present it to the Board at some point in the future if desired.

7. Announcements

- A. Office closed Monday, February 18, 2018 in observance of Presidents Day.
- B. Regular Board Meeting Tuesday, February 20, 2018 at 1:30 pm
- C. EBX II Grand Opening, Thursday, February 22, 2018 – Citrus Reservoir and Pump Station, 10:00 am-12:00 pm (shuttle Parking: Redlands Sports Park – Soccer Complex *Do not park at Citrus Reservoir)
- D. Finance and Budget Workshop, February 26, 2018 at 1:30 pm
- E. San Geronio Pass Regional Water Alliance, February 28, 2018 at 5:00 pm – Banning City Hall

8. Adjournment

Director Duncan adjourned the meeting at 2:53 pm

Draft—subject to Board approval

Jeff Davis, Secretary to the Board

cmr



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Memorandum

To: President and Members of the Board
San Geronio Pass Water Agency

From: Jeffry F. Ferre, General Counsel
Best Best & Krieger LLP

Date: February 20, 2018

Re: General Counsel Report - Board of Directors Meeting – February 20, 2018

Changes to Proposed Regulation Prohibiting Wasteful Water Use Practices

The State Water Resources Control Board (“State Board”) proposed an initial set of prohibited water use practices in November 2017. Based on comments received during the public review period, the State Board is now recommending certain changes to its proposed regulation. There will now be an additional 15-day comment period for the revised proposal, with comments accepted until 12:00pm on February 14, 2018. The State Board will consider adopting the proposed regulation at its February 20, 2018 meeting.

Although the Agency would not have a role in enforcing these prohibitions, it is important to be informed about actions the State Board may take which could result in challenges for water users, retail water agencies and the holders of water rights granted through the State Board process.

The proposed permanent prohibitions are similar to the emergency prohibitions that were in effect during the recent drought. However, the proposed regulation includes some revised language and said regulation would enact permanent prohibitions. These permanent prohibitions would be in effect regardless of whether the State is in a declared drought. The State Board has stated that because the proposed regulation is not a drought emergency regulation, only the State Board would enforce the proposed regulation at this time. The following practices would be prohibited under the State Board’s permanent regulation:

1. Using potable water to wash sidewalks and driveways;
2. Allowing more than incidental runoff when irrigating turf and other ornamental landscapes;
3. Using hoses without automatic shutoff nozzles to wash motor vehicles;



BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

4. Using potable water in ornamental fountains or decorative water features that do not recirculate the water
5. Irrigating turf and ornamental landscape during and within 48 hours following measureable rainfall;
6. Hotels and motels laundering towels and linens daily without providing guests the option of using them again;
7. During a drought emergency, the serving of drinking water in restaurants and bars without it being requested; and
8. As of January 1, 2025, irrigating turf on public street medians and parkways unless the turf serves a community recreational or civic function, the turf is irrigated incidentally with trees, or the turf is watered with recycled water by an irrigation system installed prior to January 1, 2018.

The legal concerns that have been raised regarding this proposed regulation include the following. The State Board's use of the designation of "waste and unreasonable use" as the tool to reach the conservation objectives is inconsistent with the law. The argument is that the State Board's authority to determine "waste and unreasonable use of water" can only be made by way of a formal State Board ruling on a case specific basis that requires due process of law. The proposed regulation is defective because it has the effect – if not the purpose - of diminishing water rights by legislative means (i.e. a sweeping application) without any due process.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Nominees for LAFCO and County Oversight Board

DATE: February 20, 2018

Summary:

The attached information from the Riverside County Local Agency Formation Commission (LAFCO) describes two opportunities for the Agency to participate in important appointed bodies. The purpose of this proposed Board action is to determine if the Board wishes to nominate a member of the Board to either one or both of these bodies.

Background:

The Local Agency Formation Commission (LAFCO) in each County is responsible for authorizing annexations, changes to boundaries, incorporation of new cities, formation of new special districts, and other issues related to local government. The Commission consists of members appointed by the County Board of Supervisors, the cities in the County, and the county special districts. A position representing special districts is vacant and requires an elected official from a special district in the western half of the County to fill it.

The County Oversight Board is a new commission that will begin operating in July. This is the final stage in the statewide process to eliminate redevelopment agencies. For the past several years, each city and county that had a former redevelopment agency has had its own Oversight Board to help “wind down” its redevelopment activities and to gradually turn over tax revenues that would have gone for redevelopment activities to other taxing entities, including schools, community colleges, and special districts such as the Agency.

Starting in July, all of these Oversight Boards in each County will be combined into one County-wide Oversight Board. The opening of

interest to the Agency is for the position on the Oversight Board representing special districts. This position must be an elected official. The position will also have two alternates.

Detailed Report:

LAFCO positions representing special districts become vacant on a regular basis. The current opening is for special districts located in the western part of the County. The Agency is in this area. Any special district located in this half of the County may nominate one of its own members as a candidate for the LAFCO commission. If more than one nominee is presented, an election will be held by mail. According to the attached information, the nomination period closes on March 5.

The Board should decide if it would like to nominate one of its own members to serve on the LAFCO commission. However, Board action is not required to be a nominee. The only requirement is that the presiding officer sign the nomination form.

The Oversight Board will be engaged in analyzing complex financial transactions, so any member nominated should have some experience in these kinds of activities. It is likely that the Oversight Board will not meet frequently, but their meetings are expected to be lengthy, as they will need to review activities from all Oversight Boards in the County. There are a large number of these (exact number unknown).

There will be an election for this position as well, also conducted by mail. The Agency's vote will be cast by the President. It is up to the Board to determine if it wishes to provide input to the President for these elections.

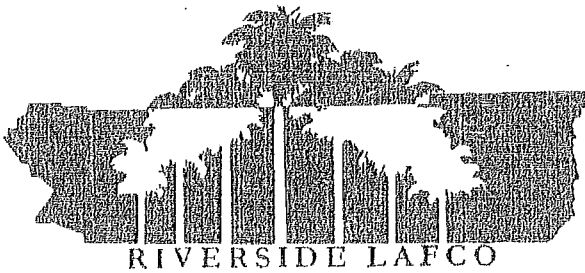
More detailed information is included in the agenda package.

Fiscal Impact:

There is no fiscal impact to the Agency of nominating a member to either of these commissions, with the possible exception of travel expenses to Riverside for meetings, should an Agency Board member be elected to either commission.

Recommendation:

Staff has no recommendation.



CALL FOR NOMINATIONS FOR A SPECIAL DISTRICT MEMBER
OF THE RIVERSIDE LOCAL AGENCY FORMATION COMMISSION
AND
A SPECIAL DISTRICT MEMBER OF THE COUNTYWIDE REDEVELOPMENT
OVERSIGHT BOARD

**To the Special District Selection Committee (Presiding Officers of Independent
Special Districts of Riverside County):**

As you were recently notified (see attached letter), we are commencing the selection process for special district members of the Local Agency Formation Commission (LAFCO) and the Countywide Redevelopment Oversight Board. I have determined that a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time. Therefore, selection proceedings will be conducted by mail. Specifically, the positions are as follows:

Regular Special District Member LAFCO (Western) – must be a board member from a district in the western portion of the County (any district with the majority of its assessed value west of the intersection of Interstate 10 and Highway 111).

Countywide Redevelopment Oversight Board (and two alternates) – must be a board member from any district shown in the attached list.

The term of the LAFCO Member position is four years and until appointment of a successor or reappointment of the incumbent. The term of this position will run from May 7, 2018 until May 2, 2022.

The terms of the Special District Member and Alternate appointed to the Countywide Redevelopment Oversight Board shall commence July 1, 2018. There is no specified expiration of the term, however, appointees serve at the pleasure of the SDSC.

The nomination period for these positions will begin on February 2, 2018 and will close on March 5, 2018. Any member of the SDSC (presiding officer or an alternate board member designated by the governing body) may nominate a member of the legislative body of an independent special district board to fill the position subject to the following eligibility requirements for nominees:

LAFCO Member, Special District – Western: Nominees must be a current member of the governing board of an independent special district with the majority of its assessed value west of the intersection of Interstate 10 and Highway 111. If only one candidate is nominated, that candidate shall be deemed selected with no further proceedings.

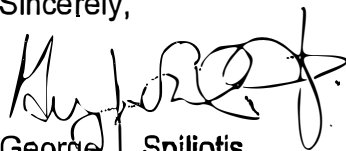
Countywide Redevelopment Oversight Board, Special District Member: Nominees must be a current member of the governing board of one of the Districts listed on the attachment titled *Board Members Eligible for Appointment to the Oversight Board*. Separate nominations for the Oversight Board member and the two alternates positions are not necessary. The regular member and alternates will be selected based on the number of votes received.

Please submit nominations in writing on the nomination form accompanying this notice to the following address: Riverside LAFCO, 3850 Vine Street, Suite 240, Riverside, CA 92507. If you have provided us with an email address for your presiding officer or alternate and have received this notice by email, you may scan the completed form and email it to Rebecca Holtzclaw at rholtzclaw@lafco.org. All nominations must be signed by the presiding officer of your district board of directors or designated alternate. Nominations do not require action by the district board of directors. **Nominations must be received in our office by 5 p.m., March 5, 2018.**

Following the nomination period, ballots and voting instructions will be sent to SDSC members. In order to expedite the ballot process, if you have not already done so, please provide an email address to which we can send the presiding officer's ballot materials by February 15, 2018. You may email the information to rholtzclaw@lafco.org.

If you have any questions, please contact our office.

Sincerely,



George J. Spiliotis
Executive Officer
February 1, 2018

Attachment(s): SDSC Appointment Notice dated January 16, 2018 (sent via email)
Board Members Eligible for Appointment to the Oversight Board
CSDA Bulletin re: Oversight Board appointments
Auditor-Controller presentation

cc: Khanh Truong, Riverside County Auditor-Controller, Property Tax Division

SPECIAL DISTRICT SELECTION COMMITTEE NOMINATION FORM

I hereby certify that I am the presiding officer of the above named district or board-designated alternate*.

Signature

Date

* If an alternate has been designated by the governing body, please provide a resolution or minute order documenting the action.

I, _____ of the _____
Print Name of Presiding Officer or alternate Name of District

hereby nominate(s) the following individual(s) for the position of:

Regular Special District Member of the Riverside Local Agency Formation Commission - Western Area. The term of this position will run until May 2, 2022.

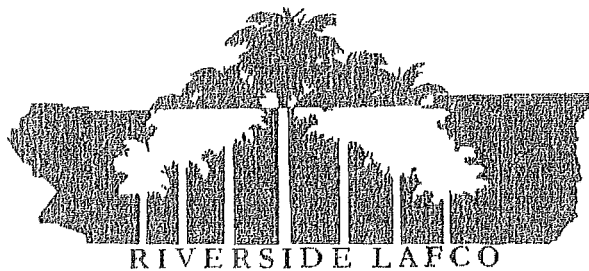
Nominee: _____

District: _____
(District must have the majority of its assessed value west of the intersection of Interstate 10 and Highway 111.)

Special District Member or Alternate Member of the Consolidated Countywide Redevelopment Oversight Board.

Nominee: _____

District: _____
(Please see attached list of district boards from which members are eligible for nomination)



To: General Managers and Presiding Officers (c/o Clerks) of Independent Special Districts
in Riverside County

Re: Upcoming Special District Selection Committee Appointments

Date: January 16, 2017

I am writing to alert you to upcoming proceedings of the Independent Special District Selection Committee (ISDSC). The ISDSC is comprised of the presiding officers of each of the independent special districts in the County. The ISDSC has been and is responsible for appointing special district members to the Local Agency Formation Commission (LAFCO). Recent legislation has given another responsibility to the ISDSC, the appointment of a special district representative to serve on a consolidated countywide Redevelopment Oversight Board pursuant to Health and Safety Code Section 34179. Current law (Government Code Sec. 56332) requires the Executive Officer of LAFCO to conduct the proceedings of the ISDSC. Within the next few weeks, we will begin the process for appointments to both the Countywide Oversight Board and LAFCO.

Background: As part of the dissolution of redevelopment agencies (RDAs), oversight boards were established for each of the redevelopment successor agencies charged with winding down the affairs of the former RDAs. In September of 2015, Governor Brown signed SB 107, a bill which required the consolidation of RDA oversight boards. SB 107 mandated the consolidation of these boards by July 1, 2018, with a single new county-wide board in each county. In Riverside County, the existing 25 oversight boards will be consolidated into a Countywide Oversight Board. The law further directs the ISDSC in each county to appoint special district representatives to the new board. Alternates will also be appointed. The Governor is empowered to fill any position on the Oversight Board for which an appointment has not been made by July 15, 2018. It is critical that the ISDSC make these appointments prior to this date in order to keep the appointments local.

Additional information and background can be found in the attached report titled Countywide RDA Oversight Board Special District Appointments, jointly issued by the California Special Districts Association (CSDA) and the California Association of Local Agency Formation Commissions (CALAFCO), dated September 27, 2016. An appendix to that report also includes the relevant statute from the Health and Safety Code (H&SC Section 34179).

As noted above, we will also be conducting an election for a special district appointee to LAFCO. The term of the Special District Member from Western Riverside County is up in May

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(the incumbent is planning on seeking reappointment). Proceedings for this position will be conducted in the same manner as recent previous LAFCO appointments. Nomination and ballot materials for appointments to the Oversight Board and LAFCO will be transmitted concurrently.

What can we do now?


Consider nominees. A call for nominations to the Oversight Board will be issued in the next few weeks. Please start considering potential nominees. Although all members of the ISDSC are eligible to vote on the appointment, eligibility for appointment to the Oversight Board is limited to members of the legislative bodies of independent special districts eligible to receive property tax distributions pursuant to Health and Safety Code 34188. A list of those qualifying districts whose board members would be eligible for appointment is attached. The Oversight Board will be reviewing complex governmental financial documents. Although not a statutory requirement, previous experience or skills involving financial matters or prior experience on an existing Oversight Board might be helpful. Additional desired qualifications and responsibilities can be found in the attached presentation from the Riverside County Auditor-Controller.

Provide contact info. The ISDSC proceedings will be conducted by mail/email. Statute makes provisions for nominations and ballot materials to be transmitted and returned by email. It would be most helpful if you can provide us with the name and appropriate email address of the presiding officer of your district board or alternate board member designated by your board. Please send that contact information to Rebecca Holtzclaw at rholtzclaw@lafco.org.

Follow up. After we have issued the call for nominations and upon the close of the nomination period, we will issue ballot materials, including instructions, to each member of the ISDSC (presiding officers or board designated alternates). Please follow up with your member to ensure ballots are signed and returned to LAFCO in a timely manner. It is important that we achieve a quorum in order to have a valid election.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



George Spiliotis
Executive Officer

Attachments:

Countywide RDA Oversight Board Special District Appointments report by CSDA and CALAFCO

List of Eligible District Boards

Consolidated Oversight Board Appointment '18 / 49' on Meeting Presentation

Board Members Eligible for Appointment to the Oversight Board

Organization Name

1. Beaumont-Cherry Valley Recreation & Park District
2. Cabazon County Water District
3. Coachella Valley Mosquito & Vector Control District
4. Coachella Valley Public Cemetery District
5. Coachella Valley Resource Conservation District
6. Coachella Valley Water District
7. Desert Healthcare District
8. Desert Recreation District
9. Desert Water Agency
10. Edgemont Community Services District
11. Eastern Municipal Water District
12. Elsinore Valley Cemetery District
13. Elsinore Valley Municipal Water District
14. Home Gardens Sanitary District
15. Jurupa Area Recreation & Park District
16. Jurupa Community Services District
17. Lake Hemet Municipal Water District
18. Mission Springs Water District
19. Murrieta Valley Cemetery District
20. Northwest Mosquito & Vector Control District
21. Palo Verde Cemetery District
22. Palm Springs Cemetery District
23. Palo Verde Healthcare District
24. Palo Verde Valley Library District
25. Riverside-Corona Resource Conservation District
26. Rubidoux Community Services District
27. Rancho California Water District
28. Summit Cemetery District
29. San Geronio Memorial Healthcare District
30. San Geronio Pass Water Agency
31. San Jacinto Basin Resource Conservation District
32. San Jacinto Valley Cemetery District
33. Temecula Public Cemetery District
34. Temescal Valley Water District
35. Valley Sanitary District
36. Valley-Wide Recreation & Park District
37. Western Municipal Water District



California Special
Districts Association
Districts Stronger Together



COUNTYWIDE RDA OVERSIGHT BOARD SPECIAL DISTRICT APPOINTMENTS

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS
Last Updated: September 27, 2016



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Gary Bell
Attorney at Law
Colantuono, Highsmith & Whatley, PC

José C. Henríquez,
Executive Officer
El Dorado County Local Agency Formation Commission

Shane McAfee
General Manager
Greater Vallejo Recreation and Park District

Keene Simonds
Executive Officer
Marin County Local Agency Formation Commission

Charles Turner
Director of Finance
Eastern Municipal Water District



On July 1, 2018, more than 400 redevelopment agency (RDA) oversight boards will be consolidated into just one oversight board per county (and five oversight boards in Los Angeles County). When this occurs, each county's Independent Special Districts Selection Committee will be granted the authority to appoint one special district representative to that county's respective oversight board.

If the Independent Special District Selection Committee in a county fails to act by July 15, 2018, the governor will make the appointment on its behalf. Therefore, it is important that the special districts in each affected county, and the Local Agency Formation Commissions (LAFcos) that administer the operations of the Independent Special Districts Selection Committees, take proactive steps to ensure a successful locally-controlled appointment process.

Much is at stake in the decisions that go before oversight boards. In fiscal years 2015-16 and 2016-17 combined, the governor's 2016 May Revise estimated special districts will receive \$316 million in property tax restoration due to the continued wind down of RDAs. Oversight board actions could affect the amount and speed of future property tax restorations to special districts and other local agencies.

Due to the newness and uniqueness of the statute providing for countywide oversight boards, the many cross-references within the statute, and the lack of familiarity most LAFcos and special districts have with the Health and Safety Code in which the statute is included, the authorizing language for special district appointments may be challenging to some local officials.

For these reasons, the California Special Districts Association (CSDA) and California Local Agency Formation Commission (CALAFCO) convened a working group to outline the process for appointing special district representatives to countywide oversight boards, and to provide guidance on potential questions related to that process.

COUNTIES REQUIRING A COUNTYWIDE OVERSIGHT BOARD

The following thirty-seven counties have two or more oversight boards that will be consolidated into one countywide oversight board on July 1, 2018 (except for Los Angeles County, which will be consolidated into five oversight boards):

- Alameda
- Butte
- Contra Costa
- Fresno
- Humboldt
- Imperial
- Kern
- Kings
- Lake
- Los Angeles (five oversight boards)
- Madera
- Marin
- Monterey
- Mendocino
- Merced
- Nevada
- Orange
- Placer
- Riverside
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Luis Obispo
- San Mateo
- Santa Barbara
- Santa Clara
- Santa Cruz
- Shasta
- Solano
- Sonoma
- Stanislaus
- Sutter
- Tulare
- Ventura
- Yolo
- Yuba

Of the counties noted above, the following eleven counties do not currently have an Independent Special Districts Selection Committee in place. Therefore, the special districts and LAFco in each of these counties will need to form an Independent Special Districts Selection Committee in order to facilitate the appointment of a special district representative to the new countywide RDA oversight board:

- Fresno
- Imperial
- Kings
- Madera
- Merced
- San Joaquin
- Solano
- Stanislaus
- Tulare
- Yolo
- Yuba



SPECIAL DISTRICT REPRESENTATIVE APPOINTMENT PROCESS

The statutory authorization for appointing the special district representative to a countywide oversight board is found in Health and Safety Code 34179, which can be found in the appendix. This publication overviews the application of this authority in conjunction with the relevant code sections cross-referenced to the Cortese-Knox-Hertzberg Act or “LAFCo Law” in the Government Code.

On July 1, 2018, counties with 2 – 39 individual RDA oversight boards will be consolidated into one countywide oversight board. Upon consolidation, the county’s Independent Special District Selection Committee is responsible for appointing the special district representative to the new countywide oversight board. The Independent Special District Selection Committee consists of the presiding officer of the legislative body of each independent special district or district-appointed alternate (Government Code Section 56332(a)).

Procedures

The LAFCo Executive Officer/Designee is responsible for calling and giving written notice of meetings of the Independent Special District Selection Committee, at which a representative may be appointed to the countywide RDA oversight board. (Government Code Section 56332(b)).

- A majority of the Independent Special District Selection Committee may determine to conduct the committee’s business by mail, including holding all elections by mailed ballot (Government Code Section 56332(e)).

If the independent special district selection committee has determined to conduct the committee’s business by mail or if the executive officer/designee determines that a meeting of the special district selection committee, for the purpose of selecting the special district members or filling vacancies, is not feasible, the executive officer/designee shall conduct the business of the committee by mail. Elections by mail shall be conducted as follows (Government Code Section 56332(f)):

- 1) The executive officer/designee shall prepare and deliver a call for nominations to each eligible district. The presiding officer, or his or her alternate as designated by the governing body, may respond in writing by the date specified in the call for nominations, which date shall be at least 30 days from the date on which the executive officer mailed the call for nominations to the eligible district.
- 2) At the end of the nominating period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed. If two or more candidates are nominated, the executive officer/designee shall prepare and deliver one ballot and voting instructions to each eligible district. The ballot shall include the names of all nominees and the office for which each was nominated. Each presiding officer, or his or her alternate as designated by the governing body, shall return the ballot to the executive officer/designee by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer/designee mailed the ballot to the eligible district.
- 3) The call for nominations, ballot, and voting instructions shall be delivered by certified mail to each eligible district. As an alternative to the delivery by certified mail, the executive officer/designee, with prior concurrence of the presiding officer or his or her alternate as designated by the governing body, may transmit materials by electronic mail.
- 4) If the executive officer/designee has transmitted the call for nominations or ballot by electronic mail, the presiding officer, or his or her alternate as designated by the governing body, may respond to the executive officer/designee by electronic mail.



- 5) Each returned nomination and ballot shall be signed by the presiding officer or his or her alternate as designated by the governing body of the eligible district.
- 6) For an election to be valid, at least a quorum of the special districts must submit valid ballots. The candidate receiving the most votes shall be elected, unless another procedure has been adopted by the selection committee. Any nomination and ballot received by the executive officer/designee after the date specified is invalid, provided, however, that if a quorum of ballots is not received by that date, the executive officer/designee shall extend the date to submit ballots by 60 days and notify all districts of the extension. The executive officer/designee shall announce the results of the election within seven days of the date specified.
 - o A quorum is the majority of members representing eligible districts (Government Code Section 56332(a))
- 7) All election materials shall be retained by the executive officer/designee for a period of at least six months after the announcement of the election results

Eligibility Requirements

Members appointed by the independent special district selection committee shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county (Government Code Section 56332(c)).

- Special district appointees to current individual oversight boards (pre consolidation into countywide oversight boards) are not restricted to members of the legislative body of the district.

There is no clear indication that the members appointed by the selection committee must be located in a former RDA. However, it could be implied by Health and Safety Code Section 34179(j)(3).

- Current individual oversight boards (prior to consolidation into countywide oversight boards) limit eligibility to special districts that have territory in the territorial jurisdiction of the former RDA and are eligible to receive property tax residual from the RPTTF: "One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188" (Health and Safety Code Section 34179(a)(3)(A)).

Based on Health and Safety Code Section 34179(j)(3), the committee should appoint a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF).

- Health and Safety Code Section 34179(j)(3) reads in full: "One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188."

Deadlines and Vacancies

If no one is appointed by July 15, 2018, the governor may appoint an individual on behalf of the Independent Special District Selection Committee. The governor may also appoint individuals for any member position that remains vacant for more than 60 days (Health and Safety Code Section 34179(k)).



Notification Requirements

Health and Safety Code Section 34179(j) does not include notification requirements of the selected special district appointee. However, the current individual oversight boards (prior to consolidation into countywide oversight boards) were required to elect one of their members as the chairperson and report the name of the chairperson and other members to the Department of Finance (Health and Safety Code Section 34179(a)). Additionally, the LAFCo Executive Officer/Designee must announce the results of an Independent Special District Selection Committee election within seven days (Government Code Section 56332(f)(6)).

Counties with Only One Individual Oversight Board

In each county where only one individual RDA oversight board exists, as of July 1, 2018, there will be no consolidation into a countywide oversight board and no change to the composition of the existing oversight board (Health and Safety Code Section 34179(l)).

Counties with 40 or More Individual Oversight Boards

In each county where 40 or more individual oversight boards exist (Los Angeles County), as of July 1, 2018, there will be a consolidation into five oversight boards. The special district membership of each oversight board shall be selected as outlined in Health and Safety Code Section 34179(j)(3) via the Independent Special District Selection Committee process (Health and Safety Code Section 34179(q)(1)).

The consolidated oversight boards in this county shall be numbered one through five, and their respective jurisdictions shall encompass the territory located within the respective borders of the first through fifth county board of supervisors districts, as those borders existed on July 1, 2018. Each oversight board shall have jurisdiction over each successor agency located within its borders (Health and Safety Code Section 34179(q)(2)).

- If a successor agency has territory located within more than one county board of supervisors' district, the county board of supervisors shall, no later than July 15, 2018, determine which oversight board shall have jurisdiction over that successor agency. The county board of supervisors or their designee shall report this information to the successor agency and the department by the aforementioned date (Health and Safety Code Section 34179(q)(3)).

Health and Safety Code Section 34179(q) does not specify if the city and special district appointees must be from an agency located in the respective supervisorial seat.

POTENTIAL QUESTIONS

What if my county does not currently have an Independent Special District Selection Committee?

In the case where more than one successor agency exists within the county, an Independent Special District Selection Committee shall be created pursuant to Government Code Section 56332. Each independent special district shall appoint a member representative to the committee and notify the LAFCo of the appointed member. The LAFCo shall then call and conduct a meeting of the committee, pursuant to Section 56332, for purposes of appointing a representative to the countywide RDA oversight board.



Does the Independent Special District Selection Committee also select an alternate, as it does with LAFCo commissioners? How should a vacancy be addressed?

The strictest interpretation of the statute only authorizes the appointment of one person, but a reasonable argument can be made for the appointment of an alternate. The Legislature expressly incorporated Government Code Section 56332 without elaboration, and that section allows for alternates.

Health and Safety Code Section 34179 does not mention alternates for the countywide oversight boards, but does allow each appointing authority to appoint an alternate for the current individual oversight boards (prior to the consolidation into a countywide oversight board) (Health and Safety Code Section 34179(a)(11)). The selection process outlined in Government Code Section 56332(c) includes the selection of an alternate for the commission.

To resolve any ambiguity, the Independent Special District Selection Committee may choose to adopt local policies, pursuant to its authority in Government Code section 56332, expressly authorizing the appointment of an alternate.

If the LAFCo Executive Officer/Designee anticipates a vacancy will occur – or if an actual vacancy occurs – an election may be held for a representative to the countywide oversight board (Government Code section 56332(b)).

What is the term of an appointment to the countywide RDA oversight board?

Nothing in Health and Safety Code Section 34179 describes terms for members of the oversight board. Rather, Section 34179(g) provides that “Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.”

Can an appointee be replaced mid-term?

Yes; nothing in Health and Safety Code Section 34179 describes terms for members of the oversight board. Rather, Section 34179(g) provides that “Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.”

Can the Independent Special District Selection Committee replace a special district representative appointed by the governor due to a vacancy?

While not clearly outlined within the relevant statutes, the intent of having locally appointed representatives on the oversight board is undermined if the law is interpreted such that seats could become, essentially, permanent representatives of the governor.

That being said, Independent Special District Selection Committees are strongly encouraged to appoint a representative no later than July 15, 2018, and within 60 days of any vacancy thereafter, in order to avoid this potential question.

What should a LAFCo do where the law is not explicit as to the process for appointments to the countywide RDA oversight board?

LAFCos should adopt local commission policies. Government Code Section 56300 allows LAFCos to adopt local policies either to clarify requirements or specify how a LAFCo will implement State law taking into account the local conditions. Case law has also indicated that these policies are allowed so long as they are not in conflict with State law.



For example, Government Code 56325(d) indicates that, notwithstanding any other provision of the Cortese-Knox-Hertzberg Act, each LAFCo can appoint one member and one alternate member who represents the public at large. The same section goes on to specify that the appointment of the public and alternate members must be subject to an affirmative vote of at least one of the members from the other appointed authorities; and it also specifies the noticing requirements to announce the vacancy in this position. Section 56325(d) does not contain any direction for the process of appointing public members, nor does it have an indication of the vetting process for candidates eligible to be appointed to this position. With this unclear in the law, some LAFCos have adopted policies to clarify and indicate the basic appointment process.

LAFCos may establish local policies for appointing special district representatives to the countywide RDA oversight board, so long as they are not in conflict with State law.

DEFINITIONS

Taxing entities

Cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part (Health and Safety Code Section 34171(k)).

Executive officer

The executive officer or designee as authorized by the Local Agency Formation Commission (Government Code Section 56332(g)).



APPENDIX

HEALTH AND SAFETY CODE

DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964] (*Heading of Division 24 amended by Stats. 1975, Ch. 1137.*)

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES [34170 - 34191.6] (*Part 1.85 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.*)

CHAPTER 4. Oversight Boards [34179 - 34181] (*Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.*)

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012. Members shall be selected as follows:

- (1) One member appointed by the county board of supervisors.
- (2) One member appointed by the mayor for the city that formed the redevelopment agency.
- (3) (A) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.
(B) On or after the effective date of this subparagraph, the county auditor-controller may determine which is the largest special district for purposes of this section.
- (4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.
- (5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.
- (6) One member of the public appointed by the county board of supervisors.
- (7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time. In the case where city or county employees performed administrative duties of the former redevelopment agency, the appointment shall be made from the recognized employee organization representing those employees. If a recognized employee organization does not exist for either the employees of the former redevelopment agency or the city or county employees performing administrative duties of the former redevelopment agency, the appointment shall be made from among the employees of the successor agency. In voting to approve a contract as an enforceable obligation, a member appointed pursuant to this paragraph shall not be deemed to be interested in the contract by virtue of being an employee of the successor agency or community for purposes of Section 1090 of the Government Code.
- (8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.
- (9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.



(10) If a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, if that appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city if that appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(11) Each appointing authority identified in this subdivision may, but is not required to, appoint alternate representatives to serve on the oversight board as may be necessary to attend any meeting of the oversight board in the event that the appointing authority's primary representative is unable to attend any meeting for any reason. If an alternate representative attends any meeting in place of the primary representative, the alternate representative shall have the same participatory and voting rights as all other attending members of the oversight board.

(b) The governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's and the successor agency's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members are protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974. All actions taken by the oversight board shall be adopted by resolution.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) (1) The department may review an oversight board action taken pursuant to this part. Written notice and information about all actions taken by an oversight board shall be provided to the department as an approved resolution by electronic means and in a manner of the department's choosing. Without abrogating the department's authority to review all matters related to the Recognized Obligation Payment Schedule pursuant to Section 34177, oversight boards are not required to submit the following oversight board actions for department approval:

(A) Meeting minutes and agendas.

(B) Administrative budgets.

(C) Changes in oversight board members, or the selection of an oversight board chair or vice chair.

(D) Transfers of governmental property pursuant to an approved long-range property management plan.



(E) Transfers of property to be retained by the sponsoring entity for future development pursuant to an approved long-range property management plan.

(2) An oversight board action submitted in a manner specified by the department shall become effective five business days after submission, unless the department requests a review of the action. Each oversight board shall designate an official to whom the department may make those requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. Except as otherwise provided in this part, in the event that the department requests a review of a given oversight board action, it shall have 40 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and the oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department. If the department reviews a Recognized Obligation Payment Schedule, the department may eliminate or modify any item on that schedule prior to its approval. The county auditor-controller shall reflect the actions of the department in determining the amount of property tax revenues to allocate to the successor agency. The department shall provide notice to the successor agency and the county auditor-controller as to the reasons for its actions. To the extent that an oversight board continues to dispute a determination with the department, one or more future Recognized Obligation Payment Schedules may reflect any resolution of that dispute. The department may also agree to an amendment to a Recognized Obligation Payment Schedule to reflect a resolution of a disputed item; however, this shall not affect a past allocation of property tax or create a liability for any affected taxing entity.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Except as specified in subdivision (q), commencing on and after July 1, 2018, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board, which shall be staffed by the county auditor-controller, by another county entity selected by the county auditor-controller, or by a city within the county that the county auditor-controller may select after consulting with the department. Pursuant to Section 34183, the county auditor-controller may recover directly from the Redevelopment Property Tax Trust Fund, and distribute to the appropriate city or county entity, reimbursement for all costs incurred by it or by the city or county pursuant to this subdivision, which shall include any associated startup costs. However, if only one successor agency exists within the county, the county auditor-controller may designate the successor agency to staff the oversight board. The oversight board is appointed as follows:

- (1) One member may be appointed by the county board of supervisors.
- (2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.
- (3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.
- (4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.
- (5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.
- (6) One member of the public may be appointed by the county board of supervisors.



- (7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.
- (k) The governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2018, or any member position that remains vacant for more than 60 days.
- (l) Commencing on and after July 1, 2018, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (j).
- (m) Any oversight board for a given successor agency, with the exception of countywide oversight boards, shall cease to exist when the successor agency has been formally dissolved pursuant to Section 34187. A county oversight board shall cease to exist when all successor agencies subject to its oversight have been formally dissolved pursuant to Section 34187.
- (n) An oversight board may direct a successor agency to provide additional legal or financial advice than what was given by agency staff.
- (o) An oversight board is authorized to contract with the county or other public or private agencies for administrative support.
- (p) On matters within the purview of the oversight board, decisions made by the oversight board supersede those made by the successor agency or the staff of the successor agency.
- (q) (1) Commencing on and after July 1, 2018, in each county where more than 40 oversight boards were created by operation of the act adding this part, there shall be five oversight boards, which shall each be staffed in the same manner as specified in subdivision (j). The membership of each oversight board shall be as specified in paragraphs (1) through (7), inclusive, of subdivision (j).
- (2) The oversight boards shall be numbered one through five, and their respective jurisdictions shall encompass the territory located within the respective borders of the first through fifth county board of supervisors districts, as those borders existed on July 1, 2018. Except as specified in paragraph (3), each oversight board shall have jurisdiction over each successor agency located within its borders.
- (3) If a successor agency has territory located within more than one county board of supervisors' district, the county board of supervisors shall, no later than July 15, 2018, determine which oversight board shall have jurisdiction over that successor agency. The county board of supervisors or their designee shall report this information to the successor agency and the department by the aforementioned date.
- (4) The successor agency to the former redevelopment agency created by a county where more than 40 oversight boards were created by operation of the act adding this part, shall be under the jurisdiction of the oversight board with the fewest successor agencies under its jurisdiction.

(Amended by Stats. 2015, Ch. 325, Sec. 11. Effective September 22, 2015.)



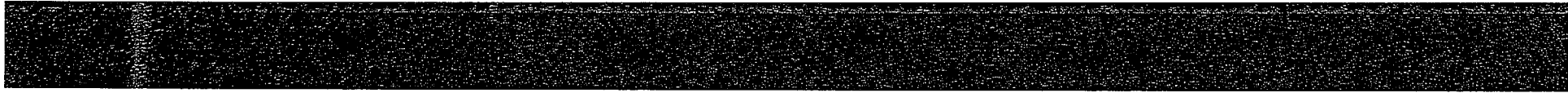
AC AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

32 / 49

Consolidated Oversight Board

APPOINTMENT INFORMATION MEETING

NOVEMBER 8, 2017





Overview

The California Redevelopment Dissolution Laws mandate the dissolution of the 25 existing Oversight Boards within the County of Riverside and the creation of a single Consolidated Oversight Board overseeing all 25 successor agencies within the County commencing on July 1, 2018.

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- HSC Section 34179(j)



Staffing

1. Pursuant to HSC Section 34179 (j), the Consolidated Oversight Board shall be staffed by:
 - the County Auditor-Controller
 - another County entity selected by the County Auditor-Controller
 - a City within the County that the County Auditor-Controller select after consulting with department
2. ^{34/49} County Auditor-Controller desires to select the County Executive Office (EO) to staff the Consolidated Oversight Board
3. EO recommends the Board of Supervisors accept the County Auditor-Controller offer
4. Selection of EO will be presented to County Board of Supervisors for approval at a later date



Funding

All cost incurred by the Consolidated Oversight Board including administrative costs incurred by the Executive Office and startup costs, may be recovered directly from the Redevelopment Property Tax Trust Fund (RPTTF)

35/49

- Health and Safety Code Section 34179 (j)
- Health and Safety Code Section 34183

Appointments to the Consolidated Oversight Board



1. One member appointed by the County Board of Supervisors
2. One member appointed by the City Selection Committee
3. One member appointed by the Independent Special District Selection Committee
4. One member appointed by the County Superintendent of education
5. One member appointed by the Chancellor of the California Community Colleges
- 36/49 6. One member of the public appointed by the County Board of Supervisors
7. One member appointed by the recognized employee organization representing the largest number of successor agency employees in the County.



Governor appointees

Pursuant to HSC 34179 (k) - The governor may appoint individuals to fill any Oversight Board member position that has not been filled by July 15, 2018, or any member position that remains vacant for more than 60 days.

37/49

No compensation for Consolidated Oversight Board Members



Pursuant to HSC 34179 (c) – Members of the Consolidated Oversight Board shall serve without compensation or reimbursement for expenses.

38/49

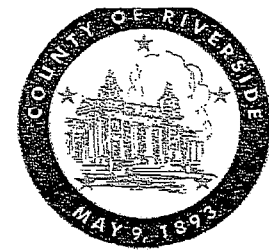
- Health and Safety Code Section 34179 (c)



Protected by Immunities

Oversight board members are protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) c. Division 3.6 of Title 1 of the Government Code.

- Health and Safety Code Section 34179 (d)



Majority Vote Constitutes a Quorum

A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action.

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- Health and Safety Code Section 34179 (e)



Deemed to follow the Brown Act

The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

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- Health and Safety Code Section 34179 (e)

Members Serve at the pleasure of the appointing entity



Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

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- Health and Safety Code Section 34179 (g)



Fiduciary Responsibility

Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Health and Safety Code Section 34188. (residual)

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- Health and Safety Code Section 34179 (i)



Provisions Governing the Board

The provisions of Division 4 (commencing with Section 1000) of the Government Code, [which govern public officers and employees] shall apply to oversight boards.

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- Health and Safety Code Section 34179 (i)



Simultaneous appointments

Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

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- Health and Safety Code Section 34179 (i)

Countywide Consolidated Oversight Board



Items requiring Board Approval may include but is not limited to:

- Recognized Obligation Payment Schedules (ROPS) and amendments.
- Last and Final ROPS
- Issuance of bonds or other indebtedness
- ⁴⁶/₄₉ Pledges or agreements for the pledge of property tax revenue
- ⁴⁶/₄₉ Establishment of new repayment terms for outstanding loans
- Compensation agreements
- Property dispositions
- Final resolution of dissolution for the Successor Agency
- Refer to ABX1 26, AB 1484 and SB 107 for comprehensive list.

Countywide Consolidated Oversight Board



Potential Board Members & Alternates suggested qualifications:

- Understand the Fiduciary responsibility to the debt holders.
- Ability to review and understand payments schedules (ROPS).
- Able to attend meetings every other month
- Able to commit time for meeting preparation
- Detail oriented
- Familiar with the dissolution process
- Be independent
- Understand there is no compensation
- Riverside County residency preferred but not required
- Understand they will have personal immunity from their actions

Implementation Process



- Meetings to be held every other month beginning July 12, 2018 at the County Administrative Center Board Room in Riverside.
- Agenda items to be submitted to the County Clerk of the Board (procedures to follow).
- Countywide Oversight Board Website to added soon.

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Timelines

Dec 2017 – Consolidated Oversight Board appointments due to the ACO

2018 -

- June 30, 2018 – Current Oversight Boards dissolved
- July 1, 2018 – Activation of County Consolidated Oversight Board
- July 12, 2018 – First Consolidated Oversight Board meeting

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