



California Special Districts Association
Districts Stronger Together



GRASSROOTS ACTION BRIEF

March 2015 EDITION

Each section of this packet covers a CSDA long-range policy priority, focusing on pressing legislative and regulatory issues at the State Capitol. “Action Items” on each page note how you can directly support advocacy efforts. We encourage you to get involved. Visit the Grassroots Action Center at csda.net today to Take Action!

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REVENUE, FINANCES AND TAXATION

CSDA's long range policy goal is to "Ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies."

TAKE ACTION!

•Visit the Grassroots Action Center to access the latest information on advocacy efforts

High Risk Local Agency Audit Draft Regulations

The California State Auditor will soon release draft language for the High Risk Local Government Agency Audit Program, pursuant to legislation passed in 2012 (Assembly Bill 187). Under this law, the State Auditor is charged with developing an audit program for the purpose of identifying, auditing, and issuing reports on any local government agency, including special districts, or other publicly created entity, that the State Auditor identifies as being at high risk for waste, fraud, abuse, and mismanagement or as having major challenges associated with its economy, efficiency, or effectiveness. Any audit that the State Auditor wishes to perform under this authority must be authorized by the Legislature's Joint Legislative Audit Committee.

CSDA formed a working group with special district officials last fall to provide guidance to the State Auditor staff in preparation for the draft audit regulations. Working group members stressed the need for audits to account for special districts' diversity in service types, revenue sources, and expenditures. They also stated the importance of allowing local agencies to take corrective actions prior to the official audit process commencing. The official public comment period on the draft regulations is anticipated to open this month.

Property Tax Restoration to Special Districts

In Fiscal Years 2014-15 and 2015-16, \$200 million of property tax revenue is estimated to be restored to special districts due to the dissolution of redevelopment agencies. The Governor's January budget anticipated an increase in future years to more than \$900 million annually returned to all local agencies combined. The restored revenue can be used to fund the essential local services and infrastructure provided by special districts.

As RDA wind down continues, the Administration is pursuing legislation to complete the dissolution process and reduce administrative burdens. This proposal was recently released in draft form and CSDA has taken a *support in concept* position on the proposed legislation. The proposal seeks to clarify a number of items ranging from the administration of Recognized Obligation Payment Schedules (ROPS) to re-entered agreements between successor agencies and their sponsoring cities. The Administration has identified three main objectives for any proposals included in this legislation:

- Minimize the potential erosion of property tax residuals being returned to the local affected taxing entities (both in the short and long term) while transitioning the state from detailed review of enforceable obligations to a streamlined process;
- Clarify and refine various provisions in statutes to eliminate ambiguity and make the statutes more successful for all parties without rewarding previous questionable behavior; and
- Maintain the expeditious wind down of former RDA activities while adding new incentives for substantial compliance with the law.

You can view the draft language here:

www.dof.ca.gov/budgeting/trailer_bill_language/local_government/documents/701RDADissolutionSimplification_001.pdf

For specific questions, contact Christina Lokke, legislative representative overseeing advocacy efforts on revenue, finances and taxation issues, at christinal@csda.net

GOVERNANCE AND ACCOUNTABILITY

CSDA's long range policy goal is to "Enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner and encourage best practices that avoid burdensome, costly, or redundant requirements that seek a one-size-fits all approach."

TAKE ACTION!

•Be ready for legislative proposals trying to create new transparency mandates! Have your annual cost estimates for Brown Act and Public Records Act compliance ready.

•Visit the Special District Leadership Foundation at www.sdlf.org for a check-list of good governance and best practices related to transparency and public engagement.

CSDA Seeks to Lower Cost, Increase Voter Turnout

As costs continue to rise, funding elections has been identified as a significant challenge for some special districts. CSDA is working on potential solutions to save local agencies money, time and resources while also improving voter engagement.

A survey was sent to our members regarding election costs in November of 2014. Based upon the feedback received, CSDA staff is currently working on two proposals to create flexibility when consolidating elections. In many cases, election consolidation can offer significant cost savings and increase voter turnout. The first proposal would allow all special districts to consolidate their election into a November even-year general election. The second proposal would allow districts wishing to conduct all-mail ballots to consolidate with other agencies if they share jurisdictions. This could include charter cities, in addition to other special districts. In both cases, the county Boards of Supervisors would retain their existing authority to approve any such changes. Please contact Jimmy MacDonald at jimmym@cdda.net with any questions on how your district may benefit from the added flexibility.

Impact of Prop 42 on New Transparency Mandates

Last June voters approved Proposition 42, removing local agencies' eligibility to be reimbursed for open meeting mandates under the Ralph M. Brown Act, as well as California Public Records Act compliance. In addition, Prop 42 removes future changes to these transparency laws from reimbursement eligibility, as long as the amendments further the purpose of the original Acts.

Special districts and other local government agencies will need to be prepared to respond to legislative proposals that could impose millions of dollars in new costs combined throughout the state. In lieu of mandates, CSDA supports the promotion of best practices to guide local governance and accountability practices.

Legislative and Regulatory Proposals

CSDA is currently reviewing thousands of bills for the 2015 session. The complete legislative tracking reports are available at www.cdda.net/advocacy.

AB 10 (Gatto) Financial Interest Disclosure – Increases the threshold for reportable financial interests that may be the source of a conflict of interest for local officials for the first time in over 40 years. Also creates additional disclosure requirements for business holdings that may be the source of conflict of interest recusal.

AB 259 (Dababneh) Information Privacy Data Breach – Requires local agencies to provide 12-months of identity theft protection and monitoring services to individuals if the agency was the source of an information breach of the individual's identifying information. Current law requires local agencies to disclose if a data breach has occurred. Impacted individuals must also be notified if specific information, such as social security data, drivers' license numbers, credit card account information, or online account usernames and passwords, was accessed by unauthorized persons.

HUMAN RESOURCES AND PERSONNEL

CSDA's long range policy goal is to "Promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees, both represented and non-represented."

TAKE ACTION!

• What changes does the new sick leave law mean for your district? If you have implementation concerns, please contact dorothyh@csda.net.

CalPERS Resources for GASB 68 Compliance

The CalPERS retirement system recently announced the pricing for local agencies to receive necessary information to meet the recently adopted GASB 68 financial reporting requirements.

Pooled plans, for employers with 100 or fewer employees, will cost \$850 for each report. Non-pooled plans, for employers with more than 100 employees, will cost \$2500 each.

On request, CalPERS will provide the additional information that will be needed by employers to meet financial reporting requirements. It is estimated that employers will be able to request their GASB 68 valuation in April 2015. Employers will be able to utilize my|CalPERS to order, pay for and retrieve their reports. The intent is to have requested reports available by the end of June 2015.

Specifically, GASB 68 reporting standards require additional detail for total pension liabilities. CalPERS has stated they are unable to provide the reports as a free service because it would run counter to law that prevents system funds from being used for non-member benefit purposes. External actuaries are also able to provide the necessary data but the cost will vary.

CalPERS has also announced other resources that are available to help employers with the new GASB 68 requirements:

- A webpage with detailed information and Frequently Asked Questions: <http://www.calpers.ca.gov/index.jsp?bc=/employer/actuarial-gasb/home>
- Specific questions not addressed on the website can be e-mailed to: CalPERS_GASB_68@calpers.ca.gov
- A webinar will be scheduled in May 2015 with further details to be announced soon

Legislative and Regulatory Proposals

CSDA is currently reviewing thousands of bills introduced for the 2015 legislative session. The complete legislative tracking reports are available at www.csda.net/advocacy.

AB 304 (Gonzalez) Paid Sick Leave – This measure seeks to provide clarification to last year's AB 1522 (Gonzalez) that established mandatory paid sick leave for all employees and provides no less than 3 days per employee in a calendar year. Clean-up provisions will clarify total amount of leave time permitted, allocation and accrual procedures, and employee notification. CSDA is actively working with the author's office to ensure public agency employer needs are met.

INFRASTRUCTURE INNOVATION AND INVESTMENT

CSDA's long range policy goal is to "Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services."

TAKE ACTION!

•Subscribe to CSDA's blog for updates on cap-and-trade funding opportunities.

New Public Works Requirements

As part of the 2014-15 State Budget, the state overhauled its monitoring and enforcement of prevailing wage laws. The changes include a new requirement for awarding agencies, including special districts, to provide electronic notice to the Department of Industrial Relations (DIR) of all public works projects over \$1,000 within five days of the award. This requirement took effect July 1, 2014.

Additionally, contractors and subcontractors must annually register with the DIR and pay a \$300 fee in order to bid for and work on public works projects.

Required as of January 1, 2015, all bid invitations and documents must include a specific notice of the registration requirements. Beginning this spring, awarding agencies must use registered contractors and subcontractors on all public works projects. For more information, visit DIR's website at <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

New CEQA Review for Tribal Cultural Resources

A new law taking effect this July, AB 52 (Gatto), creates a new category of resources in CEQA, "tribal cultural resources", and creates a new CEQA consultation process between Native American tribes and lead agencies for projects that impact tribal cultural resources. Beginning July 1, 2015, lead agencies must consult with Native American tribes who have requested consultation prior to the release of a negative declaration, mitigated negative declaration or environmental impact report. This applies to projects that have a notice of preparation or a notice of negative declaration or mitigated negative declaration filed on or after July 1, 2015. Native American tribes include those that are federally recognized or Native American tribes located in California and on the contact list maintained by the Native American Heritage Commission. AB 52 specifies consultation procedures and outlines recommended mitigation measures.

State Water Board Streamlines Application Process

The State Water Resources Control Board recently streamlined access to the Drinking Water State Revolving Fund (DWSRF), making it easier for water systems to apply for project funds that will enhance and upgrade the drinking water supplies of millions of Californians.

The Water Board will now accept applications online year round, making it easier for water suppliers to begin developing critical public health upgrades to drinking water systems. The Water Board also made more projects eligible for funding including maximum containment level (MCL) exceedance, and water infrastructure replacement or update, including transmission or distribution lines, groundwater wells, and other infrastructure.

The Water Board funds DWSRF projects on a ready-to-proceed basis and will prioritize projects that address critical public health issues, including imminent water supply outages and MCL violations.

Visit <http://www.swrcb.ca.gov> for more information.

How to Get Involved

CSDA Legislative Committee

The Committee plays a key role in establishing priorities and positions on legislation each legislative session. CSDA members or business affiliates may apply to join. Contact Jess Lima at jessl@csla.net for more information.

CSDA Legislative Distribution List

Participants are copied on email correspondence sent to the CSDA Legislative Committee. Members have the opportunity to give feedback on issues before the Legislature. This is a great way to stay informed of CSDA's legislative efforts without the time and travel commitment of serving as a member of the Legislative Committee. Contact Jess Lima at jessl@csla.net for more information.

Grassroots Mobilization Survey

Join CSDA in grassroots advocacy efforts by sharing with us your personal legislative relationships and willingness to reach out to them when priority legislation is introduced impacting your district's delivery of core local services. By answering CSDA's Grassroots Mobilization Survey on page 8 of this packet, you are helping CSDA strengthen advocacy efforts on behalf of all special districts. One voice at one district may be able to reach one legislator, but to be successful we must reach all 120 legislators.

Expert Feedback Teams

CSDA utilizes seven teams to provide invaluable expertise to CSDA advocacy staff. The teams are comprised of district staff, management, directors and business affiliates who work within specified disciplines. When a need for feedback arises on a particular policy matter, CSDA advocacy staff sends an email to an expert feedback team asking for input. Team members reply with their thoughts, opinions and experiences. Teams include: Budget, Finance and Taxation; Environment; Formation and Reorganization; Human Resources and Personnel; Governance; Public Works and Contracting; and Legal. Contact Jess Lima at jessl@csla.net for more information.

Special Districts Legislative Days, May 19-20, 2015

Special Districts Legislative Days (Legislative Days) is the premier advocacy event for special district leaders. Legislative Days provides attendees with the opportunity to hear from and interact with statewide policy makers and legislators. The 2015 event will be held in Sacramento on May 19-20. Visit www.csla.net/sdld to register and obtain more information.

Your Tools

In addition to the many ways you can be involved with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach:

CSDA e-News

A weekly electronic newsletter detailing the most important legislative and regulatory issues affecting special districts.

Advocacy Alerts

An email with an urgent call to action on legislative issues with information on how to join statewide efforts.

CSDA Blog

Engage in an interactive forum on the hottest issues, including breaking news from CSDA's legislative representatives. Subscribe to receive real-time, daily, or weekly alerts on new blog posts. csla.net/advocacy/blog

Bill Tracking

The CSDA website contains many useful tools for your district, including bill reports, information on your legislator, assistance with setting up a meeting with your legislator, helpful guides and more!

Grassroots Action Center

An online destination where you can find the most pressing issues facing special districts, including how your district can join ongoing advocacy efforts.

Social Media

Stay connected to the special district community. Follow @specialdistrict on Twitter and "like" CSDA's Facebook page facebook.com/specialdistrict

MODEL POLICIES FOR ADOPTING POSITIONS ON LEGISLATION

Throughout the year, CSDA sends out Legislative Alerts on specific bills or issues that significantly impact special districts. Likewise, a special district may choose to take a position on a piece of legislation that specifically impacts its services.

Formally registering your district's position on legislation is a fundamental step in order to impact policy decisions made in Sacramento.

Establishing a District Policy

Response time is important once CSDA sends out a Call to Action. CSDA may ask that districts send in a letter when a bill is set to be heard. Having a process in place for adopting a position on legislation will shorten response time and ensure that your district's voice is heard.

In setting a policy on how your district adopts positions on bills, the process should specify who is authorized to sign the position letter. CSDA typically provides sample template letters on Call to Action bills. Districts simply need to add brief information about what their district does and how the bill will specifically impact their district.

Provided are four different model policies. Districts may choose to adopt one of the four model policies or some variation:

Model Policy One: The General Manager or Designated Employee Adopt all Bill Positions. This option is less formal, less procedural but more time efficient. Policy adoption basic steps: (1) Identify bill through CSDA Call to Action; (2) Review bill and determine impact of the bill on your district; (3) Draft letter or use CSDA sample template letter; (4) Include facts, stats, examples and cost estimates when possible; (5) Designated district employee/official signs letter and provides copies to the board of directors/trustees, per district's policies.

Model Policy Two: The General Manager along with the Board President Adopt Bill Positions. For districts that favor the expediency of model policy one, but would prefer the governing board to have some input on bill positions, model policy two may be appropriate. This policy allows the general manager to adopt bill positions, but only with the approval of the board president. Policy adoption basic steps: (1) Identify bill through CSDA Call to Action; (2) Review bill and determine impact of the bill on your district; (3) Draft letter or use CSDA sample template letter; (4) Include facts, stats, examples and cost estimates when possible; (5) General manager and Board President, or one official with the consent of the other, signs letter and provides copies to the board of directors/trustees, per district's policies.

Model Policy Three: The Board of Directors/Trustees Adopt All Bill Positions. This option provides the greatest oversight, yet, it is less responsive to significant, spontaneous changes in the Legislature. Policy adoption basic steps: (1) Identify bill through CSDA Call to Action; (2) Review bill and determine impact of the bill on your district; (3) The general manager or legislative staff adds bill to the agenda for the next board meeting; (4) The board of directors/trustees vote to adopt a position on the bill; (5) Draft letter or use CSDA sample template letter; (6) Include facts, stats, examples and cost estimates when possible; (7) Designated district employee/official signs letter and provides copies to the board of directors/trustees, per district's policies.

Model Policy Four: General Manager Adopts Bill Positions Consistent With Policy Principles Set by Board of Directors/Trustees. This policy gives staff the flexibility to adopt positions on legislation while allowing the board of directors/trustees to set policy principles to guide staff's action on bills. The board of directors/trustees pre-establishes various policy principles and, as long as the bill position fits within these principles, staff is authorized to take a position without board approval. For example, a district may adopt a policy principle that says the district will oppose any property tax redistribution formula that is not fair and equitable. A bill that proposes to change the property tax formula to shift dollars away from special districts would warrant an oppose position as this fits within the scope of the policy principle. If a policy principle is nonexistent or does not provide clear guidance, then the bill position shall be brought before the board of directors/trustees for a vote.

In cases where the bill fits within the established policy principles, follow the steps provided in model policy one. In cases where the bill does not fit within the policy principles, follow the steps provided in model policy three.

Staff should regularly review district policy principles and bring additional and amended principle recommendations before the board of directors/trustees for review and approval.

Use CSDA as a Resource

As noted above, CSDA provides template letters to districts when a Call to Action is sent out. For information on writing a support/opposition letter on a bill of interest and keys to successful letter writing, please see the CSDA Grassroots Advocacy Guide or by calling toll-free 877.924.2732.

GRASSROOTS MOBILIZATION SURVEY

At CSDA, we strive to bring a unified special district voice to the State Capitol. Join CSDA in grassroots advocacy efforts by sharing with us your personal legislative relationships and willingness to reach out to them when priority legislation is introduced impacting your district's delivery of core local services. By answering CSDA's Grassroots Mobilization Survey, you are helping CSDA strengthen advocacy efforts on behalf of all special districts. One voice at one district may be able to reach one legislator, but to be successful we must reach all 120 legislators.

Thank you for your time and assistance in answering this survey. Please list the personal legislative contacts you have and your comfort level engaging in advocacy efforts. Your answers will be kept confidential. Please feel free to use the back should you need more space.

Your Full Name: _____ District Name: _____

How willing would you be to contact your personal legislative contacts regarding an issue of significant importance to special districts? Weak 1 2 3 4 5 Strong

Please add the names of state legislators with whom you are acquainted, and rate the strength/closeness of your relationship.

_____ Weak 1 2 3 4 5 Strong
_____ Weak 1 2 3 4 5 Strong

Use this matrix as a guide:

- 1) I've met the legislator in person
- 2) I've had multiple direct interactions with the legislator
- 3) The legislator knows me and would recognize me by name/face
- 4) The legislator and I are well-acquainted; we have had many personal interactions over the course of many years
- 5) The legislator is a friend or close personal acquaintance and would return my message personally

Comments:

Please submit your completed survey to any CSDA staff. You can also fax to 916-442-7889.



**California Special
Districts Association**
Districts Stronger Together



GRASSROOTS ACTION BRIEF

Take Action!

- Know the burden of state mandates in your district. Be ready to respond to state legislative proposals increasing costs for Brown Act and Public Records Act compliance
- Register to attend Special Districts Legislative Days, May 19-20, www.csdanet.org/sdld
- Complete and send your Grassroots Mobilization Survey
- Establish Policy Adoption Procedure

Be Recognized

- Visit sdlf.org to learn about SDLF Certificate Programs
- Apply for SDLF's District Transparency Certificate of Excellence

Get the Facts

- Subscribe to CSDA's Blog to receive real-time, daily, or weekly updates. Online subscription available at: www.csdanet.org/advocacy/blog

Share

- Follow us on Twitter @specialdistrict
- Like us on Facebook.com/specialdistrict



**California Special
Districts Association**
Districts Stronger Together

FREE 90-day trial membership for your district or agency!

There's a reason why over 1,000 special districts and other local agencies belong to CSDA. For more than 40 years we have provided our members with strong legislative representation, quality educational programs, and a host of cost-effective services and products designed for special districts. Now your district can experience membership in CSDA....FREE!

Experience CSDA Now!

- Strong, Respected Representation in Sacramento
- Quality Educational Opportunities
- Cost Saving Programs

Our free 90-day trial membership is your opportunity to experience membership in CSDA. Trial member benefits include:

- Significant savings on registration to Special District Legislative Days – May 19-20, 2015
- Discounted member pricing for other educational workshops, webinars and conferences
- Access to Members Section of the CSDA website and the CSDA member listserv
- Regular legislative updates
- And much more!

To register for your agency's free trial membership, simply complete and return the form below. You must register by **March 31, 2015** to receive the full 90 days.

Special bonus! Join CSDA between June 1 and August 31, 2015 and get 20% off your first year dues!

Please note: Some CSDA member benefits are available only to dues paying member agencies. Trial Membership does not include access to one hour free legal advice, SDRMA risk management services, or CSDA Endorsed Affiliate programs. Trial Members cannot vote, hold office or participate in CSDA committees. Trial Members are not included in the online Member Directory and will not be recognized by the CSDA Board of Directors as new members unless they join by the end of the trial period. Trial Membership offer does not apply to potential Business Affiliates. Trial Member benefits are available from April 1-June 30, 2015 only. Previous participants in Trial Membership program may not apply.

Questions? Contact the CSDA Member Services Department at 877.924.2732 or monicag@csda.net.

Yes, we want to experience CSDA with a FREE 90-day trial membership!

Agency Name _____

Contact Name _____ Title _____

Address _____

City/ State/Zip _____

Phone _____ Fax _____

Email (required) _____

Return this form by March 31, 2015 to CSDA Member Services - fax to 916.442.7889, email to monicag@csda.net or mail to 1112 I Street, Suite 200, Sacramento, CA 95814.

PUBLIC COMMENT

Doug Muirhead
Morgan Hill, CA
doug.muirhead@stanfordalumni.org

I have a comment for County Special Districts Association Meeting March 02 Agenda Item E5. Election costs for Special Districts.

Having listened to the concern expressed at your previous meeting about election costs, I added a line to my public comment at the January 28, 2015, Special Meeting of the Finance and Government Operations Committee. The transcript shows that I spoke at 2:55 PM.

Supervisor Yeager made reference to my comment at 3:02 PM, asking if and when an all-vote-by-mail election would be preferred.

Since the transcript only approximates what is said, here is what I planned to say:

Many of our Special Districts operate on very small budgets which are dwarfed by the cost RoV charges to administer an election.

For your information, this was mentioned at the last Special Districts Association meeting.

I hope this was helpful to your members.

Regards,

Doug Muirhead
Morgan Hill