



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church Street, Suite B, Visalia 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

LAFCO MEETING AGENDA August 6, 2014 @ 2:00 P.M. BOARD OF SUPERVISORS CHAMBERS COUNTY ADMINISTRATIVE BUILDING 2800 West Burrel Avenue Visalia CA 93291

COMMISSIONERS:
Steve Worthley, Chair
Juliet Allen, V-Chair
Allen Ishida
Rudy Mendoza
Cameron Hamilton

ALTERNATES:
Mike Ennis
Janet Hinesly
Dennis Mederos

EXECUTIVE OFFICER:
Ben Giuliani

I. **Call to Order**

II. **Approval of Minutes from June 4, 2014 (Pages 1-4)**

III. **Public Comment Period**

At this time, members of the public may comment on any item not appearing on the agenda and that is within the scope of matters considered by the Commission. Under state law, matters presented under this item cannot be discussed or acted upon by the Commission at this time. So that all interested parties have an opportunity to speak, any person addressing the Commission may be limited at the discretion of the chair. At all times, please use the microphone and state your name and address for the record.

IV. **Action Items**

1. **Sphere of Influence (SOI) Amendment and LAFCO Case 1502 (Pages 5-12)**
[Public Hearing].....Recommended Action: Approval

The City of Lindsay is proposing a Sphere of Influence amendment to accommodate a proposed annexation (Case 1503-L-49) of a developed high school site located at the northwest corner of Strathmore Ave and Tulare Road. A Final Environmental Impact Report was prepared and approved in compliance with CEQA by the City of Lindsay for use in this proposal.

2. **Annexation to the City of Lindsay LAFCO Case 1503-L-49 (Pages 13-24)**
[Public Hearing].....Recommended Action: Approval

The City of Lindsay is proposing the annexation of 43 acres of land (Lindsay High School) located at the northwest corner of Strathmore Ave and Tulare Road. A Final Environmental Impact Report was prepared and approved in compliance with CEQA by the City of Lindsay for use in this proposal. Detachment from County Service Area #1 is also recommended.

3. **Annexation to the City of Lindsay LAFCO Case 1504-L-50 (Pages 25-36)**
[Public Hearing].....Recommended Action: Approval

The City of Lindsay is proposing the annexation of 40 acres of land (Roosevelt Elementary School and adjoining land). The site is located on the north side of Hickory

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

Street (Avenue 236) between Sequoia Ave (Road 214) and Parkside Ave (Road 216). An initial study/negative declaration was prepared by the City of Lindsay for use with this proposal. Detachment from County Service Area #1 is also recommended.

4. Designation of Voting Delegate and Alternate for the CALAFCO Business Meeting (Pages 37-38)

[No Public Hearing].....Recommended Action: Designate Delegate and Alternate

During each CALAFCO Annual Conference, voting delegates appointed by each member LAFCO vote on various CALAFCO policy and procedural matters and vote to elect nominees to the CALAFCO Board of Directors.

V. Executive Officer's Report

1. Draft Amendment to Policy C-6 (Extraterritorial Service Agreements) (Pages 39-42)

Enclosed is a proposed amended policy that would streamline the ESA review process for requests that are inside and outside agency spheres of influence.

2. ESAs 2014-01 (Orosi PUD/Moreno) and 2014-03 (Poplar CSD/Walker) (Pages 43-46)

Pursuant to Policy C-6, the Executive Officer approved two ESAs. One for Orosi PUD for the provision of water, sewer and street lighting to one developing commercial parcel. A follow-up annexation proposal is anticipated for this parcel. The second ESA is for Poplar CSD for the provision of water and sewer service for three residences on one parcel.

3. Legislative Update (Pages 47-84)

Attached are the various state bills that are being tracked by CALAFCO. Also attached is the latest available legislative analysis on two groundwater bills (AB 1719 & SB 1168), a district financing bill (SB 614), and a white paper regarding groundwater from ACWA. Changes in bill status since the last Commission meeting will be discussed.

4. 2013/14 Grand Jury Report (Pages 85-90)

Attached is the Special District section from the latest Grand Jury Report. The Delta Vector Control District and the Tulare County Flood Control District were reviewed. No responses from LAFCO or the districts are required.

5. Upcoming Projects (No Page)

The Executive Officer will provide a summary and tentative schedule of upcoming LAFCO cases and projects.

VI. Correspondence

There are no items.

VII. Other Business

1. Commissioner Update (Pages 91-92)

Attached is the July 2014 CALAFCO Quarterly Report.

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

2. Request from LAFCO for items to be set for future agendas (No Page)

VIII. Setting Time and Place of Next Meeting

1. September 3, 2014 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building.

IX. Adjournment

Agenda Summary

Item No.

- II. Please see enclosed June 4, 2014 meeting minutes.*
- IV.1 Please see enclosed staff report and resolution*
- IV.2 Please see enclosed staff report and resolution*
- IV.3 Please see enclosed staff report and resolution*
- IV.4. Please see enclosed resolution*
- V.1 Please see draft amendment to Policy C-6*
- V.2 Please see enclosed ESA approval letters*
- V.3 Please see enclosed memo, CALAFCO letters, CALAFCO Legislative Report, legislative analysis and ACWA groundwater white paper*
- V.4 Please see enclosed Grand Jury Report regarding Delta VCD and Tulare County FCD*
- V.5 No enclosure for this item*
- VII.1 Please see enclosed CALAFCO July Quarterly Report*

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
Summary Minutes of the Meeting
June 4, 2014

Members Present: Ishida, Allen, Worthley, Hamilton
Members Absent: Mendoza
Alternates Present: Mederos
Alternates Absent: Ennis, Hinesly
Staff Present: Ben Giuliani, Cynthia Echavarria, Doreen Alvez
Counsel Present: Lisa Tennebaum

I. Call to Order

Chair Worthley called the Tulare County Local Agency Formation Commission meeting to order at 2:04 p.m. on June 4, 2014.

II. Approval of the March 5, 2014 Minutes:

Upon motion by Commissioner Allen and seconded by Commissioner Hamilton, the Commission unanimously approved the April 2, 2014 minutes.

III. Public Comment Period

Public Comments opened/closed at 2:04 p.m. There were no public comments.

IV. New Action Items

1. 2014/2015 Final Budget and Work Program

Staff Analyst Echavarria highlighted that the commission must adopt the Final Budget and Work Program before the following fiscal year by June 15 and stated that the staff report consisted of the 2014/15 budget summary, budget spreadsheet and work program. Ms. Echavarria stated at the April commission meeting the commission decided to apply \$50,000 to offset the contribution from the county and eight cities thus changing the net contribution from the County and eight cities to \$117,857, and noted there was no additional changes to the April preliminary budget. Ms. Echavarria discussed last year's budget differences as compared to the current budget and highlighted the increases/decreases reflected in insurance premiums, service charges, staff time, office expenses, rent, and utilities.

Chair Worthley reiterated that \$50,000 came from reserves.

Commissioner Allen highlighted a clerical error to page 19 of the staff report, which reflected FY 10/11 as opposed to FY 14/15.

Chair Worthley requested a motion as amended to include the clerical error correction on page. 19.

Upon motion by Commissioner Allen and seconded by Commissioner Hamilton, the Commission approved the 2014/2015 Final Budget and Work Program as amended.

Closed Session conducted prior to Agenda Item 2:

Closed Session

Personnel (Gov. Code Section 54957)

It is the intention of the Board to Meet in Closed Session to:

Consider Public Employee Performance Evaluation for the Position of LAFCO Executive Officer.

2. LAFCO Executive Officer Compensation

Upon motion by Commissioner Ishida and seconded by Commissioner Allen, the Commission approved the LAFCO Executive Officer Compensation.

3. Cancellation of July 9, 2014 meeting

EO Giuliani provided that staff is recommending cancelation of the July 9, 2014 LAFCO Commission Meeting as there are no action items set for the July commission meeting and it coincides with the normal scheduled summer cancelation date.

Upon motion by Commissioner Allen and seconded by Commissioner Hamilton, the Commission approved the Cancellation of July 9, 2014 meeting. The next regularly scheduled meeting is August 6, 2014.

V. Executive Officer's Report

1. Legislative Update

EO Giuliani provided an overview of bills in the legislature and highlighted bills that have moved forward to the assembly and/or Senate: AB 1521 (Fox D), AB 1527 (Perea D), AB 2156 (Achadjian R) on Governor's desk for signature, SB 69 (Roth D), AB 543 (Campos D), AB 1593 (Dahle R), and bills that failed: AB 1961 (Eggman D), AB 642 (Rendon D).

Commission members discussed AB 543 (Campos D) and the cost increases the initiative would have for agencies provided multi-lingual documents.

2. Upcoming Projects

EO Giuliani provided the upcoming projects in August: Two City of Lindsay Annexations, which involves an elementary school and one new high school, and a draft extra-territorial service agreement policy, which will include potential edits to the existing policy.

VI. Correspondence

None

VII. Other Business

1. Commissioner Update

Commissioner Allen highlighted the CALAFCO Quarterly Report and stated that the 2014 CALAFCO Conference is in Ontario this year, highlighted a CALAFCO teleconference meeting attended on May 2nd, and stated the next CALAFCO meeting is in July. Commissioner Allen stated to Commissioner Ishida that she had not forgotten his request for a study to be conducted by CALAFCO. (See April 2, 2014 Meeting Minutes Item VIII. Other Business for additional information on request)

2. Request from LAFCO for items to be set for future agendas

Commissioner Ishida highlighted a Porterville Recorder article in which people that are outside of service districts city water boundaries or CSD, when wells go dry cannot be provide services outside of the district, and requested clarification in which service could be provided in an emergency situation.

Commissioners discussed the differences between extra-territorial agreement and a situation in which emergency support is needed.

Chair Worthley stated that extra-territorial agreements are formalized processes and documents for the long term but requested whether there was a short hand approach or way for cities to provide services without going through this long process.

EO Giuliani highlighted the reasons for drafting the revised policy, which would address an update to LAFCO's delegated authority to approve ESA's outside of the sphere of influence as it does with inside the sphere of influence.

Commissioners discussed the provisions under the Health and Safety Code to provide for emergency services.

Attorney Tennenbaum highlighted her work with the Office of Emergency Services for emergency water service for those in need under any funding source available, and stated she would provide the exact statute to the LAFCO staff in which service could be provided.

Commissioners discussed the probability of more than the LAFCO commission needing to review the policy and a temporary license that could be terminated once services are provided.

Closed Session heard out of order

VIII. Closed Session

1. Personnel (Gov. Code Section 54957)

It is the intention of the Board to Meet in Closed Session to:

Consider Public Employee Performance Evaluation for the Position of: LAFCO Executive Officer.

IX. Setting Time and Place of Next Meeting

The next meeting is on Wednesday August 6, 2014 at 2:00 PM. The meeting will be in the Board of Supervisors Chambers in the County Administration Building.

X. Adjournment

The meeting adjourned at 2:36 P.M.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 (559) 624-7274 FAX (559) 733-6720

COMMISSIONERS:
*Steve Worthley, Chair
Juliet Allen, V-Chair
Rudy Mendoza
Allen Ishida
Cameron Hamilton*

August 6, 2014

ALTERNATES:
*Mike Ennis
Dennis Mederos
Janet Hinesly*

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Cynthia Echavarria, Staff Analyst

EXECUTIVE OFFICER:
Ben Giuliani

SUBJECT: Sphere of Influence Amendment for the City of Lindsay, Case 1502

Background

The City of Lindsay is requesting a SOI amendment that includes about 17 acres of developed land (APNs 202-120-006 and -008) at the northwest corner of Strathmore Ave and Tulare Rd to the east of existing City limits.

Discussion

The SOI amendment is needed to accommodate the proposed annexation of the Lindsay High School (Case 1503-L-49). The existing SOI currently splits the high school site almost in half. The City general plan land use designation for the site is "Public and Semi-Public Facility". Notice of the public hearing for this proposal was provided in accordance with Government Code Section 56427.

Environmental Impacts:

The Lindsay Unified School District approved a final environmental impact report (FEIR) SCH# 2006101046 for the proposed project. The City of Lindsay prepared a subsequent initial study which found that the proposed project would be consistent with the FEIR and would not result in potential significant impacts on the environment beyond those identified in the FEIR. LAFCO, as a Responsible Agency, will review and consider the Final Environmental Impact Report prepared by the City of Lindsay.

Municipal Service Review

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to establish Spheres of Influence for cities and special districts. Prior to, or in conjunction with establishing an agency's SOI, LAFCO is required to conduct a Municipal Service Review (MSR) for each agency. A MSR was completed for the City of Lindsay on March 7, 2007 by Resolution No. 07-018. The next MSR update is currently planned in

2015. However, since the subject area is already developed and being used for a governmental purpose, pursuant to Tulare County LAFCO Policy C-5, this SOI amendment qualifies as a minor SOI amendment for which a Municipal Service Review is not required.

Impact on Prime Agricultural Land, Agriculture and Open Space:

No urban development or loss of open space and prime agricultural land would result with establishment of this SOI because the proposed SOI will only include land that is already developed.

Required Determinations

GC §56425(e) requires that in determining the Sphere of Influence of each local agency the Commission shall consider and prepare a written statement of its determinations with respect to certain factors prior to making a decision.

(1) The present and planned land uses in the area, including agricultural and open-space lands.

The amendment to the SOI includes a developed high school site. No changes of land use will occur.

(2) The present and probable need for public facilities and services in the area.

The site is already developed and being provided services. The SOI amendment will require no additional or changes in the existing level of services.

(3) The present capacity of public facilities and adequacy of public services.

The City is already servicing the site with water and sewer service. The remaining urban services currently provided by the County will become the primary responsibility of the City such police, fire protection, etc.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The high school site is currently split by the existing SOI. The proposed action would result in the high school being fully placed in the SOI prior to annexation to the City. The subject area does not contain and is not adjacent to a disadvantaged unincorporated community. The proposed action appears consistent with the relevant social and economic communities of interest.

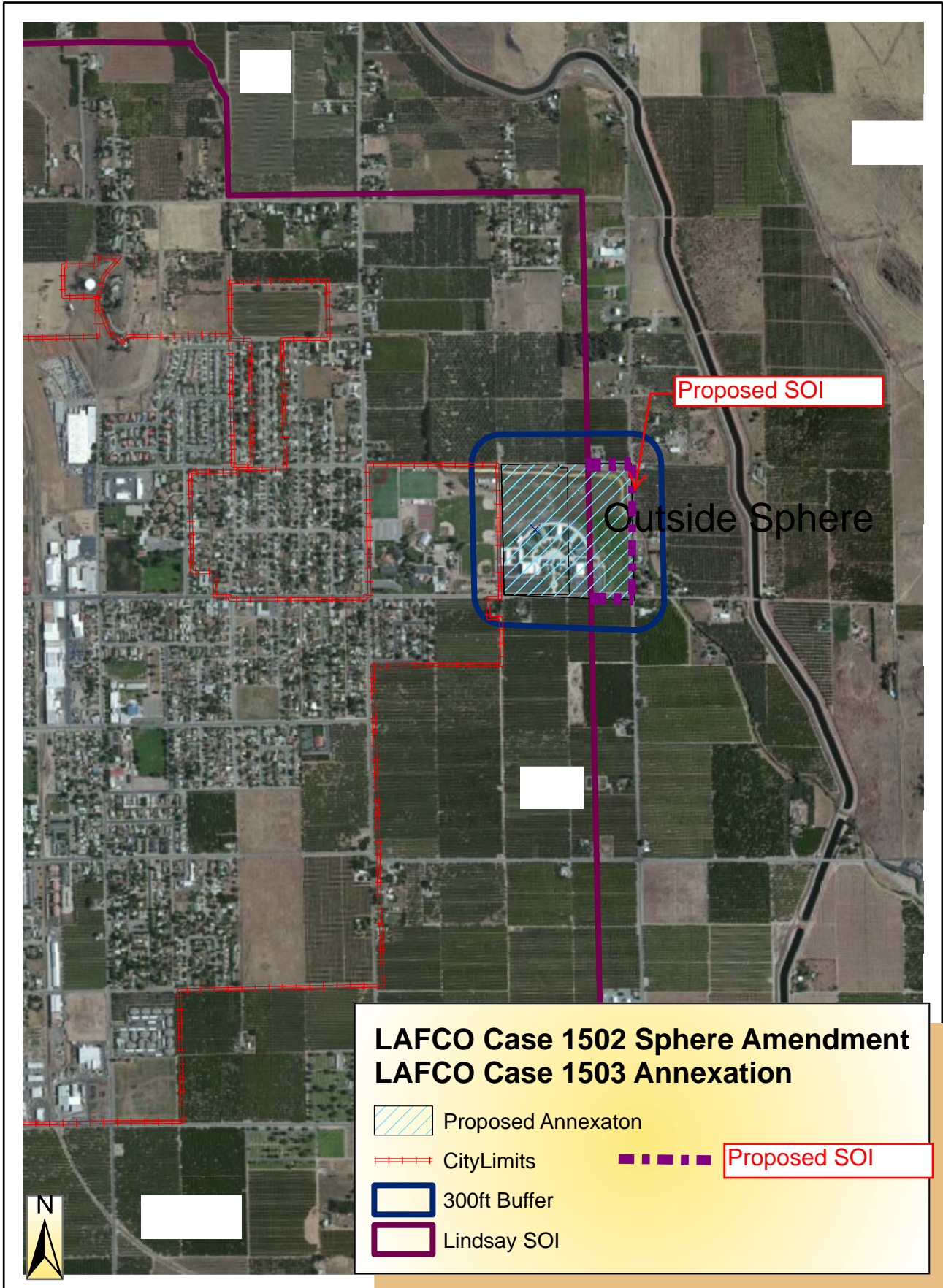
Recommendations:

It is recommended that this SOI be approved and that the Commission take the following actions:






- A. Certify that the Commission has reviewed and considered the Environmental Impact Report approved by the City of Lindsay for this project and find that the project will not have a significant effect on the environment.
- B. Adopt the written statement of determinations and find that the proposed City of Lindsay Spheres of Influence amendment complies with the GC Section 56425.
- C. Find that pursuant to GC §56426.5(b) (2), the proposed SOI amendment will not adversely affect the continuation of any Williamson Act contracts beyond their current expiration dates.
- D. Approve the Spheres of Influence as requested to be know as LAFCO Case 1502, City of Lindsay SOI Amendment, as identified within Figure 1.

Figures & Exhibits

Site Location Map
Resolution



**LAFCO Case 1502 Sphere Amendment
LAFCO Case 1503 Annexation**

-  Proposed Annexation
-  City Limits
-  300ft Buffer
-  Lindsay SOI
-  Proposed SOI

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Amendment)
To the City of Lindsay Sphere of Influence) **RESOLUTION NO.**
LAFCO Case No. 1502)

WHEREAS, pursuant to Government Code Section 56425, Local Agency Formation Commissions are required to establish, periodically review and revise or amend Sphere of Influence boundaries; and

WHEREAS, this Commission has adopted a Sphere of Influence Policy which requires that wherever possible, the Spheres of Influence for each of the incorporated cities and various special districts which provide urban services to unincorporated communities in the County reflect a twenty year growth area; and

WHEREAS, the Commission has read and considered the reports and recommendations of the Executive Officer; and

WHEREAS, on August 6, 2014 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The boundaries of the Sphere of Influence amendment are definite and certain as shown in Exhibit A.

2. The information, materials, and facts set forth in the application and the reports of the Executive Officer, including any corrections, have been received and considered in accordance with GC §56427.

3. The Commission has reviewed and considered the information, materials and facts presented by the following persons who appeared at the public hearing and commented on the proposal:

Cynthia Echavarria, Staff Analyst
Ben Giuliani, Executive Officer

4. All required notices have been given and all proceedings taken in this matter have been and now are in all respects taken in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended.

5. Pursuant to Commission Policy C-5.11, this proposal is a minor SOI amendment and is not subject to, the Municipal Service Review for the City of Lindsay which was last approved on March 1, 2007 by Resolution No. 07-018.

6. Pursuant to Commission Policy C-5.10, this proposal is exempt from the City-County meeting requirements of GC §56425(b).

7. Pursuant to GC §56426.5(b), the Commission finds that no part of the project site is under Williamson Act contract.

8. The Commission has considered the following criteria as required under GC §56425(e):

(1) *The present and planned land uses in the area, including agricultural and open space uses.*

All areas proposed to be added to the Sphere of Influence (SOI) contain prime agricultural land. The site is not in under Williamson

Act contract and is not within an agricultural preserve. The project site is fully developed for urban (High School Complex) use.

- (2) *The present and probable need for public facilities and services in the area.*

The Lindsay General Plan does not include the subject territory; hence, no City of Lindsay land use designation exist. The motivation for the Sphere amendment is the recent development of the Lindsay High School complex by the Lindsay Unified School District, prior to annexation. In order to provide orderly city services to urban uses, and to provide logical annexation territorial boundaries, the proposed annexation boundaries are necessary and logical.

- (3) *The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.*

Development of the project site would be within the existing design capacity for utilities and service system, such as water, sewer and storm drainage. Development of the project site will not require substantial systems alterations resulting in significant environmental effects. Current solid waste disposal facilities adequately serve the site without a need for alterations. The project meets the applicable regulations for solid waste.

- (4) *The existence of any social or economic communities of interest in the area.*

The area has not been identified as a possible Community of Interest.

9. The Commission hereby finds that the proposed Sphere of Influence amendment will not have a significant impact on the environment, and certifies that the Commission has independently reviewed and considered the information contained in the a final environmental impact report (FEIR) (SCH# 2006101046) approved by the City of Lindsay for the proposed amendment in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said

amendment, and that said FEIR and all information relied thereon is incorporated by reference herein.

10. The Commission hereby finds that the proposed amendment to the Lindsay Sphere of Influence is in compliance with the Cortese-Knox-Hertzberg Act, GC §§56425:56430 and 56377, and Tulare County LAFCO Policy and Procedure section C-5, Spheres of Influence.

11. The Sphere of Influence for the City of Lindsay is hereby amended as shown in Exhibit A.

12. The Executive Officer is hereby authorized and directed to sign and file the Notice of Determination with the County Clerk.

The foregoing resolution was adopted upon the motion by Commissioner XXX, and seconded by Commissioner XXXX, at a regular meeting held this 6th day of August, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

ce

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

**LAFCO Case Number #1503-L-49
City of Lindsay Annexation No. 13-54**

- PROPOSAL:** Annexation to the City of Lindsay and detachment of the same site from County Service Area No. 1.
- PROPONENT:** The City of Lindsay by resolution of its City Council.
- SIZE:** The annexation site consists of the 42.85 acres located at the northwest corner of Strathmore Ave and Tulare Road.
- LOCATION:** located at the northwest corner of Strathmore Ave and Tulare Road; APNs 202-120-002,006,008 and 009. **(Figure 1)**
- ASSESSOR'S PARCEL NOS:** The project site contains 4 individual parcels.
202-120-002
202-120-006
202-120-008
202-120-009
- NOTICE:** Notice has been provided in accordance with GC 56660

GENERAL ANALYSIS:

1. Land Use (Figure 2):

A. Site Information

	Existing	Proposed
Zoning Designation	County RA: 20.2 acres County AE-20: 19.3 acres Right-of-way (various): 3.4 acres	RCO: 42.85 acres
General Plan Designation	County: RVLP (within City UAB)	Public and Semi-Public Facility
Uses	Public High School	Public High School

B. Surrounding Land Uses and Zoning and General Plan Designations

	Zoning Designation	General Plan Designation	Existing Use
North	County: AE-20, A-1, and R-1	County: RVLP (within City UAB)	Agricultural-(Tree Crop) Rural Residential
South	County: AE-20, A-1, and R-1	County: RVLP (within City UAB)	Agricultural-(Tree Crop) Rural Residential
East	County: AE-20	County: RVLP	Agricultural-(Tree Crop) Rural Residential
West	City: RCO	City: Public and Semi Public Facility	Public School

C. Topography, Natural Features and Drainage:

The site is generally flat with an approximate elevation of 400 feet on the east boundary, dropping to approximately 395 feet on the west boundary.

D. Conformity with General Plans and Spheres of Influence:

Approximately 40% of the project is outside the LAFCO adopted Sphere of Influence for Lindsay. The existing land use is consistent with the City’s General Plan. This site was evaluated in the Lindsay High School complex FEIR for conversion to urban use

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

The site will be zoned Resource Conservation and Open Space (RCO). The site is fully developed for urban (High School Complex) use. Thus, this annexation will not result in the eventual conversion of prime agricultural soils into urban uses.

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract. The project will involve other changes in the existing environment which due to the location and nature, could result in conversion of farmland to nonagricultural use.

Open Space Land Conversion (G.C. §56377):

LAFCO Policy and Procedure Section C-1.1p. states:

As a guideline for determining conformance with Section 56377, an analysis shall be prepared and considered of the amount of land within the existing city limits for the same land classification as the land within the annexation proposal,

relative to a 10-year supply for residential and 20-year supply for commercial or industrial.

The site is fully developed for urban (High School Complex) use. A land supply analysis is not warranted for this case.

3. Population:

The population of the subject area is 0 persons. The County Elections Division has indicated that there are less than 12 registered voters in the subject area. Therefore, pursuant to Section 56046, the annexation area is uninhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

The project area is occupied by the Lindsay High School Complex. The City of Lindsay currently provides urban services and extended necessary infrastructure for development, such as sewer service, fire, police, street lighting, etc.. These services are funded through the City General and Utility Enterprise Funds; impact/connection fees for water, sewer, storm drainage, etc. The City is prepared to include the subject territory within their service area for the remaining urban services not already provided by the City.

5. Boundaries and Lines of Assessment:

The boundaries of the proposed project site are definite and certain and conform to the lines of assessment and ownership.

The applicant needs to submit an updated map and legal description and filing fee sufficient for filing with the State Board of Equalization.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land Value \$384,468

Improvements \$0

Estimated per capita assessed valuation

\$0 per capita (entire proposal area, with the exception of road right-of-way, is owned by the Lindsay Unified School District)

7. Environmental Impacts:

The Lindsay Unified School District approved a final environmental impact report (FEIR) SCH# 2006101046 for the proposed project. The City of Lindsay prepared a subsequent initial study which found that the proposed project would be consistent with the FEIR and would not result in potential significant impacts on the environment beyond those identified in the FEIR. LAFCO, as a Responsible Agency, will review and consider the FEIR prepared by the City of Lindsay.

8. Landowner and Annexing Agency Consent:

Consent to this annexation has been received from the only affected landowner (Lindsay Unified School District).

9. Regional Housing Needs:

Pursuant to GC §56668(l), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments. The site does not contain residentially zoned land. Thus annexation will not affect the ability of the City or County reach their fair shares of regional housing needs.

10. Discussion:

Sphere of Influence

The City of Lindsay is proposing the annexation of 43 acres of land (Lindsay High School) located at the northwest corner of Strathmore Ave and Tulare Road; APNs 202-120-002,006,008 and 009. Proposed Sphere of Influence Amendment 1502 must be approved in order to allow the same area to be annexed to the City boundaries.

County Service Area #1

The City's initiating resolution did not include detachment from CSA #1. Before CSA law was amended in 2008, detachment from a CSA was automatic with all city annexations. Detachments from CSAs now have to be specifically cited with each city annexation. GC §56375(a)(1) gives LAFCOs the authority to amend change of organization proposals. It is recommended that subject site also be detached from CSA #1. The map and legal description for the proposal will need to be updated prior to recording and submittal to the BOE.

Recommended Actions:

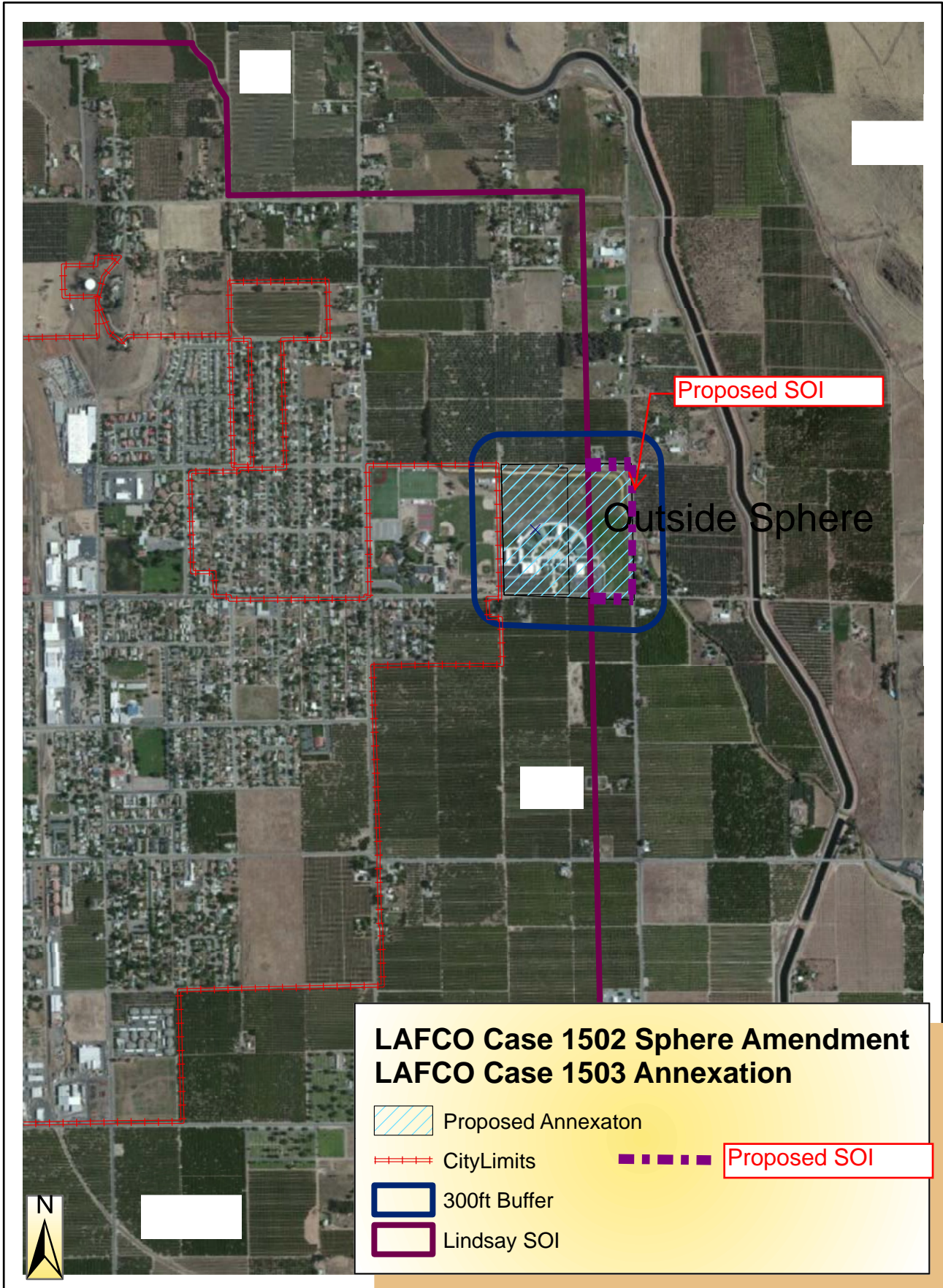
It is recommended that this proposal be approved and that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the Final EIR (SCH# 2006101046) prepared by the City of Lindsay and find that prior to reaching a decision on the project the Commission made the required findings pursuant to the CEQA Sections 15091, 15093 and 15096(h) which are attached to this report as Exhibit "A" and incorporated herein by this Reference.
2. Find that the proposed annexation to the City of Lindsay complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.

3. Approve the detachment of the subject area from County Service Area #1.
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
 - a. The boundaries of the proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
5. Approve the change of organization, to be known as LAFCO Case No. 1503-L-49 subject to the following conditions:
 - A.) The approval of LAFCO Case 1502, City of Lindsay SOI Amendment.
 - B.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - C.) The applicant must provide an updated map and legal description completed to the Board of Equalization (BOE) specifications for the approved boundary of the City of Lindsay and CSA #1 prior to the recording of the Certificate of Completion.
 - D.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.
6. Waive the protest hearing for this proposal in accordance with GC §56662(a) and order the change of organization without an election.

Figures, Exhibits & Appendices:

- Figure 1 Site Location Map
Figure 2 Resolution



BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)
To the City of Lindsay and Detachment from)
CSA #1, LAFCO Case 1503-L-49) RESOLUTION NO.
City of Lindsay Annexation No. 13-54)

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal to annex certain territories described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Surveyor and the report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on August 6, 2014 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Surveyor, and the report of the Executive Officer (including any

corrections), have been received and considered in accordance with Government Code Section 56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The Commission hereby finds that there is no substantial evidence that said annexation will have a significant effect on the environment, and certifies that the Commission has independently reviewed and considered the information contained in the Final Environmental Impact Report (FEIR) approved by the City of Lindsay for the proposed annexation in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said annexation. Accordingly, said FEIR is hereby incorporated by reference herein.

3. The Commission has reviewed and considered, in accordance with Government Code Section 56668, the information, materials and facts.

4. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. This proposal is for the annexation of territory consisting of 43.85 acres of land located at the northwest corner of Strathmore Ave and Tulare Road; APNs 202-120-002,006,008 and 009.
- b. The Commission is modifying the proposal to include the detachment of the subject area from County Service Area #1.
- c. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.
- d. Less than 12 registered voters reside in the affected territory. Therefore, pursuant to Section 56046, the annexation area is uninhabited.
- e. Consent to this annexation has been received from all of the affected landowners..

- f. Based upon the evidence and information on the record before it and the logical and reasonable expansion of the annexing municipality.

5. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The boundaries of the proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.
- b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
- c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
- d. The proposed annexation is compatible with the City's General Plan.
- e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

6. Waive the protest hearing for this proposal in accordance with GC §56662(a) and order the change of organization without an election.

7. Approve the change of organization, to be known as LAFCO Case No. 1503-L-49 subject to the following conditions:

- A.) The approval of LAFCO Case 1502, City of Lindsay SOI Amendment.
- B.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.

- C.) The applicant must provide an updated map and legal description completed to the Board of Equalization (BOE) specifications for the approved boundary of the City of Lindsay and showing the detachment of CSA #1 prior to the recording of the Certificate of Completion.
- D.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.
8. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1503-L-49, City of Lindsay Annexation No. 13-54
9. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.
10. The Executive Officer is hereby authorized and directed to sign the Notice of Determination on behalf of the Commission and file said notice with the Tulare County Clerk pursuant to Section 21152 (a) of the Public Resources Code.

The forgoing resolution was adopted upon motion of Commissioner _____,
seconded by Commissioner _____, at a regular meeting held on this 6 day of
August 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

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**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

**LAFCO Case Number #1504-L-50
City of Lindsay Annexation No. 13-56**

- PROPOSAL:** Annexation to the City of Lindsay and detachment of the same site from County Service Area No. 1.
- PROPONENT:** The City of Lindsay by resolution of its City Council.
- SIZE:** The annexation site consists of about 40 acres.
- LOCATION:** Located on the north side of Hickory Street (Avenue 236) between Sequoia Ave (Road 214) and Parkside Ave (Road 216).
- ASSESSOR'S PARCEL NOS:** The project site contains 4 individual parcels.
201-010-009
201-010-011
201-010-018
201-010-019
- NOTICE:** Notice has been provided in accordance with GC 56660

GENERAL ANALYSIS:

1. Land Use (Figure 2):

A. Site Information

	Existing	Proposed
Zoning Designation	County A-1: County RA--43	R-1-7
General Plan Designation	County: Low Density /Low Density Reserve	Public and Semi-Public Facility
Uses	Public Elementary School, Tree Crop, Rural Residential.	Public Elementary School; Single Family Residential.

B. Surrounding Land Uses and Zoning and General Plan Designations

	Zoning Designation	General Plan Designation	Existing Use
North	County: RA-43	City: Low Density/Low Density (Reserve) County Lindsay UAB	Agricultural-(Tree Crop) Rural Residential
South	City: R-1-7	City: Low Density	Single Family Residential; Vacant
East	City: R-1-7	City: Low Density and Low Density (Reserve)	Single Family Residential
West	County: A-1,R-A-20	City: Low Density	Railroad ROW; Tree Crops

C. Topography, Natural Features and Drainage:

The site is generally flat with an approximate elevation of 370 feet on the east boundary, dropping to approximately 365 feet on the west boundary.

D. Conformity with General Plans and Spheres of Influence:

Subject area is within the LAFCO adopted Sphere of Influence for Lindsay. The existing land use is consistent with the City's General Plan.

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

The site will be zoned R-1-7. About half the site is already developed with an elementary school. The other half (about 18 acres) is still in agricultural production. Thus, this annexation will result in the eventual conversion of prime agricultural soils into urban uses.

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract. The project will involve other changes in the existing environment which due to the location and nature, could result in conversion of farmland to nonagricultural use.

Open Space Land Conversion (G.C. § 56377):

LAFCO Policy and Procedure Section C-1.1p. states:

As a guideline for determining conformance with Section 56377, an analysis shall be prepared and considered of the amount of land within the existing city limits for the same land classification as the land within the annexation proposal,

relative to a 10-year supply for residential and 20-year supply for commercial or industrial.

The undeveloped portion of the site was included in the annexation request so that a substantially surrounded island would not be formed. The 18 acres of undeveloped land would add to the residential land supply of the City. With an R-1-7 zoning, it is estimated that the site has the capacity for about 90 additional housing units giving the City about an additional year of residential growth capacity for a total of 25.1 years if historical trends are followed.

The City's historical growth rate has traditionally been slower than other Tulare County cities (1.75%), the City has one of the highest average people per dwelling unit (3.71) and one of the highest residential densities in terms of people per acre (24.54) and housing units per acre (6.8). This is compared to the Blueprint goal for housing units per acre of 5.3.

3. Population:

The population of the subject area is estimated to be 7 people based on the presence of two housing units. The County Elections Division has indicated that there are less than 12 registered voters in the subject area. Therefore, pursuant to Section 56046, the annexation area is uninhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

The land use of the subject territory is varied, consisting of public/semi-public (elementary school) 20 acres; agricultural (tree crops) approximately 18.66 acres; and rural residential 1.34 acres. The City of Lindsay currently provides urban services and extended necessary infrastructure for development, such as sewer service, fire, police, street lighting, etc. These services are funded through the City General and Utility Enterprise Funds; impact/connection fees for water, sewer, storm drainage, etc. The City is prepared to include the subject territory within their service area for the remaining urban services not already provided by the City.

5. Boundaries and Lines of Assessment:

The boundaries of the proposed project site are definite and certain and conform to the lines of assessment and ownership.

The applicant needs to submit an updated map and legal description and filing fee sufficient for filing with the State Board of Equalization.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land Value \$216,395

Improvements \$175,580
Estimated per capita assessed valuation: \$55,996

7. Environmental Impacts:

The potential environmental effects of the proposed detachment have been reviewed and considered in the City of Lindsay Annexation 13-56 (Sequoia/Hickory) Initial Study Environmental Checklist and no significant adverse environmental impacts have been identified. As such, a negative declaration was prepared and approved by the City of Lindsay for use in this proposal.

8. Landowner and Annexing Agency Consent:

Consent to this annexation has not been received from each of the affected landowners. Although, the commission may waive protest proceedings pursuant to Government Code Section 57000, if all of the following have occurred:

- (a) The mailed notice pursuant to Section 56157 has been given to landowners and registered voters within the affected territory.*
- (b) The mailed notice discloses to the registered voters and landowners that unless written opposition to the proposal is received before the conclusion of the commission proceedings on the proposal, the commission intends to waive protest proceedings. The notice shall disclose that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory.*
- (c) Written opposition to the proposal from landowners or registered voters within the affected territory is not received before the conclusion of the commission proceedings on the proposal.*

9. Regional Housing Needs:

Pursuant to GC §56668(l), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments.

The proposal will have the potential to result in 90 single-family residential dwellings. The land is pre-zoned R-1-7 so would likely provide for moderate and/or above moderate income housing. Listed below are the RHNA allocations for the City from 1/1/2014 to 9/30/2023:

Very Low	Low	Moderate	Above Moderate	Total
80	80	82	348	590

10. Discussion:

County Island

There are no current plans for development of the 18 acres of agricultural land included in this annexation. However, the inclusion of this land and the homesite parcel is necessary to avoid creating a substantially surrounded county island.

County Service Area #1

The City's initiating resolution did not include detachment from CSA #1. Before CSA law was amended in 2008, detachment from a CSA was automatic with all city annexations. Detachments from CSAs now have to be specifically cited with each city annexation. GC §56375(a)(1) gives LAFCOs the authority to amend change of organization proposals. It is recommended that subject site also be detached from CSA #1. The map and legal description for the proposal will need to be updated prior to recording and submittal to the BOE.

Recommended Actions:

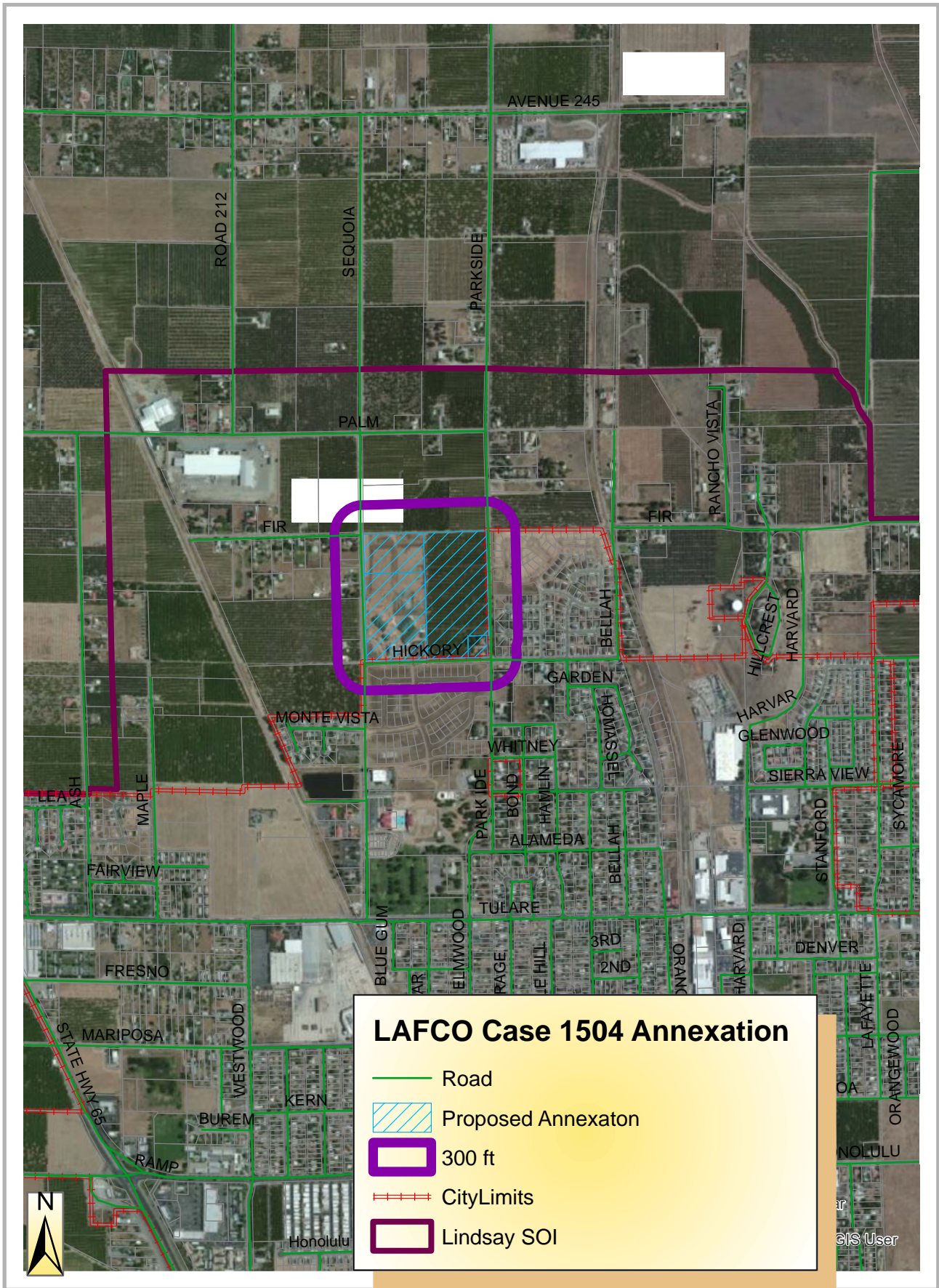
It is recommended that this proposal be approved and that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the Negative Declaration approved by the City of Lindsay for this project and find that the project will not have a significant effect on the environment.
2. Find that the proposed annexation to the City of Lindsay complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Approve the detachment of the subject area from County Service Area #1.
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
 - a. The boundaries of the proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

5. Approve the change of organization, to be known as LAFCO Case No. 1504-L-50 subject to the following conditions:
 - A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - B.) The applicant must provide an updated map and legal description completed to the Board of Equalization (BOE) specifications for the approved boundary of the City of Lindsay and CSA #1 prior to the recording of the Certificate of Completion.
 - C.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.
6. Waive the protest hearing for this proposal in accordance with GC §56663 and order the change of organization without an election.

Figures, Exhibits & Appendices:

- | | |
|----------|-------------------|
| Figure 1 | Site Location Map |
| Figure 2 | Resolution |



LAFCO Case 1504 Annexation

- Road
- Proposed Annexation
- 300 ft
- CityLimits
- Lindsay SOI

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)
To the City of Lindsay and Detachment from)
CSA #1, LAFCO Case 1504-L-50) **RESOLUTION NO.**
City of Lindsay Annexation No. 13-56)

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (GC §56000 et seq.) for approval of a proposal to annex certain territories described in Exhibit “A” attached hereto and made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Surveyor and the report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on August 6, 2014 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Surveyor, and the report of the Executive Officer (including any corrections), have been received and considered in accordance with GC §56668. All of

said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. Certify that the Commission has reviewed and considered the Negative Declaration (ND) approved by the City of Lindsay for this project and find that the project will not have a significant effect on the environment in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said annexation. Accordingly, said ND is hereby incorporated by reference herein.

3. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. This proposal is for the annexation of territory consisting of about 40 acres of land located on the north side of Hickory Street (Avenue 236) between Sequoia Ave (Road 214) and Parkside Ave (Road 216); APNs 201-010-009, 011, 018 and 019.
- b. The Commission is modifying the proposal to include the detachment of the subject area from County Service Area #1.
- c. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.
- d. Less than 12 registered voters reside in the affected territory. Therefore, pursuant to Section 56046, the annexation area is uninhabited.
- e. Consent to this annexation has not been received from all of the affected landowners. However, no written protests have been filed.
- f. Based upon the evidence and information on the record before it and the logical and reasonable expansion of the annexing municipality.

4. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The boundaries of the proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
5. Approve the change of organization, to be known as LAFCO Case No.

1504-L-50 subject to the following conditions:

- A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
- B.) The applicant must provide an updated map and legal description completed to the Board of Equalization (BOE) specifications for the approved boundary of the City of Lindsay and showing the inclusion of the detachment of CSA #1 prior to the recording of the Certificate of Completion.
- C.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.

6. Waive the protest hearing for this proposal in accordance with GC §56663

and order the change of organization without an election.

7. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1504-L-50, City of Lindsay Annexation No. 13-56

7. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.

8. The Executive Officer is hereby authorized and directed to sign the Notice of Determination on behalf of the Commission and file said notice with the Tulare County Clerk pursuant to Section 21152 (a) of the Public Resources Code.

The forgoing resolution was adopted upon motion of Commissioner_____, seconded by Commissioner_____, at a regular meeting held on this 6 day of August 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

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BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of Appointing a Voting)
Delegate and Alternate Voting Delegate)
To the 2014 CALAFCO Business Meeting)

RESOLUTION NO. 14-0##

Upon motion of Commissioner x, seconded by Commissioner x, Commissioner x and Commissioner x are hereby appointed as the Voting Delegate and Alternate Voting Delegate, respectively, to the 2014 Annual CALAFCO Business meeting, at a regular meeting held on this 6th day of August 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

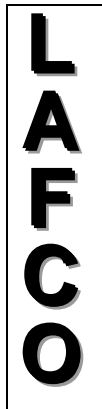
PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
*Steve Worthley, Chair
Juliet Allen, V-Chair
Rudy Mendoza
Allen Ishida
Cameron Hamilton*

August 6, 2014

ALTERNATES:
*Mike Ennis
Dennis Mederos
Janet Hinesly*

TO: LAFCO Commissioners, Alternates, Counsel
FROM: Ben Giuliani, Executive Officer
SUBJECT: Proposed Draft Amendment to Policy C-6 (Extraterritorial Service Agreements)

EXECUTIVE OFFICER:
Ben Giuliani

Background

Government Code section 56133 authorizes LAFCOs to act on proposals to extend services beyond the jurisdictional boundary of a local agency, where the territory subject to receiving such services is within the affected agency's sphere of influence and outside the affected agency's sphere of influence to respond to an existing or impending threat to public health or safety of the affected residents.

Discussion

Existing policy gives the Executive Officer delegated authority to approve extraterritorial service agreements (ESAs) within an agency's sphere of influence (SOI) while ESAs outside the SOI are subject to a noticed public hearing before the Commission. This proposed policy amendment would make the following primary changes:

- Delegated authority would be given for ESAs that would not facilitate new development while the Commission would act on cases that do involve new development (regardless of location inside or outside a SOI). The purpose of this amendment is to speed the ESA review process for emergency situations that may occur outside SOIs.
- A noticed public hearing is not required for ESAs in State law. Rather than a noticed public hearing, ESAs subject to Commission action would be agendaized pursuant to the Brown Act. The purpose of this amendment is to reduce costs and speed the review process (a 72 hour agenda posting instead of a 21 day public notice in a newspaper).

Attached is the draft amended policy for ESAs. This draft policy amendment was distributed to local agency staff on June 19th and reviewed at the City Managers' Meeting on July 10th. Only affirmative comments have been received to date. Pending review by the Commission, this policy would be brought back for action at the September 3rd meeting.

Attachments:
Proposed Amended Policy C-6

Policies and Procedures

Tulare County Local Agency Formation Commission

Policy Number: C-6

Effective Date: February 6, 2002

Authority: Government Code §56133, LAFCO Resolutions 94-007, 01-006, 02-006

Title: **Extraterritorial Service Agreements**

Policy: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes LAFCO approve proposals to extend services beyond the jurisdictional boundary of a local agency, where the territory subject to receiving such services is within the affected agency's sphere of influence in anticipation of a later change of organization.

Purpose: To set clear standards for applying state and local laws governing the extension of services beyond the jurisdictional boundaries of the provider agency.

Scope: This procedure applies to proposals LAFCO receives seeking the extension of services beyond the jurisdictional boundaries of the provider agency.

History: This policy was adopted with the original Manual on 2/6/02.

Procedure:

6.1. The Commission has determined that those proposals which meet the following criteria may be approved by the Commission

- A. The affected territory is within the subject agency's sphere of influence. The Commission may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:
 - i) The agency applying for the contract approval has provided the Commission with the documentation of a threat to the health and safety of the public or the affected residents.
 - ii) The Commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the Commission.
- B. The affected territory is ineligible for near-term annexation for reasons outside the control of the provider-agency or deteriorated public health or safety conditions within the affected territory justify an emergency extension of services.

- C. The provider-agency has completed a California Environmental Quality Act review for the proposed extension of services.
- D. The provider-agency has submitted a complete application and processing fees to LAFCO. ***A complete application includes the following:***
 - i) A letter from the applying agency listing the service(s) to be provided, the location and reason for the extension of the service(s) and why annexation isn't feasible.***
 - ii) The agreement between the agency and the affected parties to be served.***
 - iii) CEQA documentation.***
- E. There is a demand or need for the extension of such services at the time at which the extension is brought to the Commission for review.

6.2. The LAFCO Executive Officer is authorized to review and approve or deny, on behalf of the Commission, proposals by cities and special districts to extend services beyond their jurisdictional boundaries, ~~where the proposed extension area is within the adopted sphere of influence of the affected local agency and to~~ ***for*** services which are already provided by the local agency within the agency's adopted boundary ***and which would not facilitate new development.***

A. In cases where the Executive Officer recommends denial of a proposed service extension, that proposal shall be placed on the agenda of the next Commission meeting for which adequate notice can be given.

6.3. The LAFCO Executive Officer is authorized and required, upon ***a complete*** application, to set a public hearing ***place the request*** for the consideration by the Commission ***on the agenda of the next Commission meeting for which adequate notice can be given***, of any proposal by a city or district to extend service ~~outside the agency's sphere of influence~~ ***to facilitate new development***, or to extend to territory outside the agency's boundary a service which is not already provided by the local agency within the agency's jurisdictional boundary.

A. Districts must first activate a new service pursuant to GC §56824.10, et al, before extending a new service outside its jurisdictional boundary.

6.4 ***For Commission review of ESAs, noticing requirements are followed pursuant to the Brown Act (GC §54954.2(a)).***

6.5. Fees- refer to policy B-2

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**TULARE COUNTY
LOCAL AGENCY FORMATION COMMISSION**

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
Steve Worthley, Chair
Juliet Allen, Vice-Chair
Rudy Mendoza
Allen Ishida
Cameron Hamilton

ALTERNATES:
Mike Ennis
Dennis Mederos
Janet Hinesly

EXECUTIVE OFFICER:
Ben Giuliani

July 21, 2014

Orosi Public Utility District
12488 Avenue 416
Orosi, CA 93647

Re: Extraterritorial Service Agreement No. 2014-01 (Orosi PUD/Moreno)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on July 18th, 2014, (ESA No. 2014-01), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the Orosi Public Utility District to provide any applicable active services available to the District to APN 023-150-029 in advance of annexation. The District's current active powers include the provision of domestic water service, sewer service and street lighting.

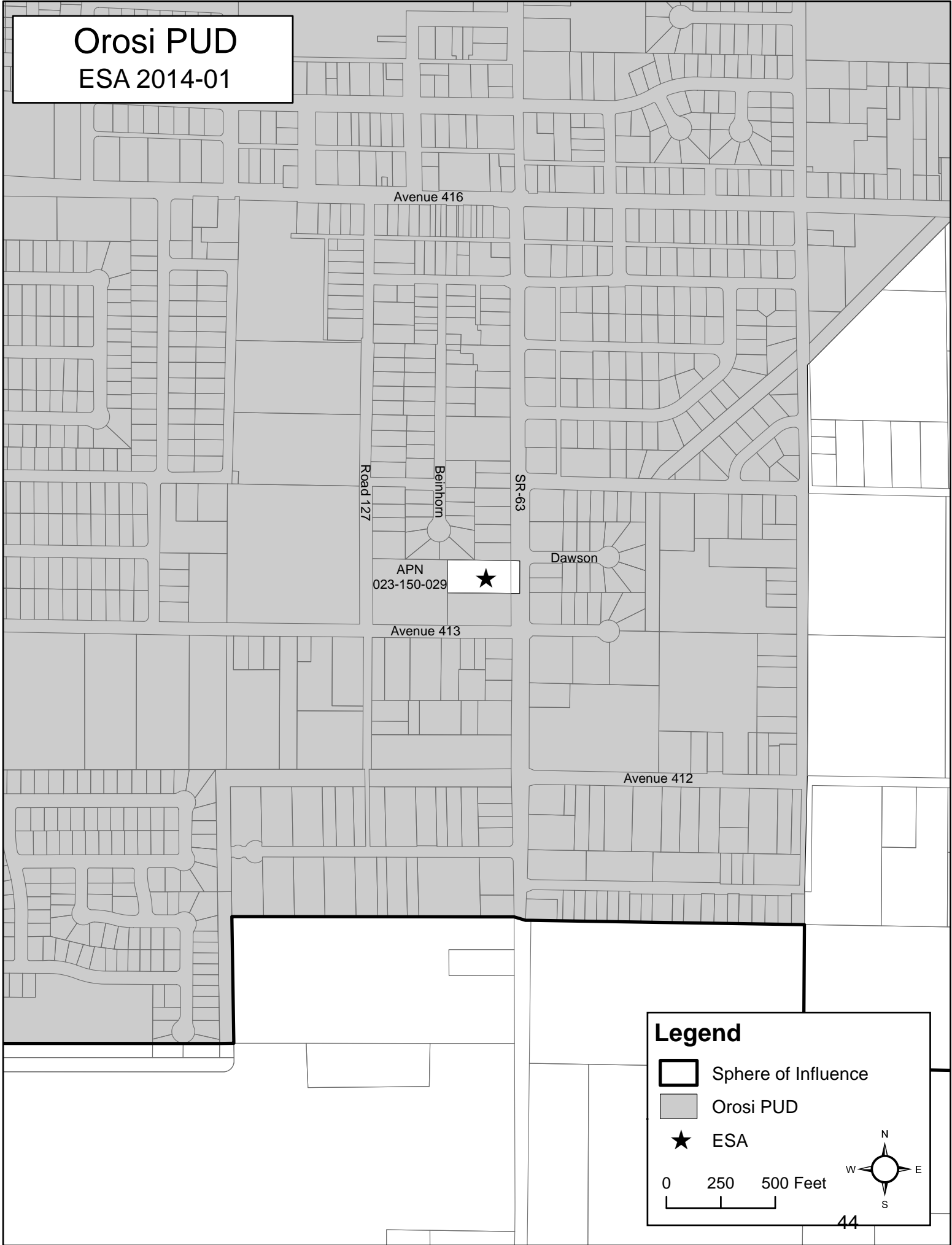
Should you have any questions, please contact me at 623-0450 or bgiuliani@co.tulare.ca.us.

Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc: Dennis Keller

Orosi PUD
ESA 2014-01



Legend

- Sphere of Influence
- Orosi PUD
- ESA

0 250 500 Feet

44



**TULARE COUNTY
LOCAL AGENCY FORMATION COMMISSION**

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
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Rudy Mendoza
Allen Ishida
Cameron Hamilton

ALTERNATES:
Mike Ennis
Dennis Mederos
Janet Hinesly

EXECUTIVE OFFICER:
Ben Giuliani

July 23, 2014

Poplar Community Services District
1456 Road 192
Poplar, CA 93258

Re: Extraterritorial Service Agreement No. 2014-03 (Poplar CSD/Walker)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on July 22nd 2014, (ESA No. 2014-03), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07.

This agreement permits the Poplar Community Services District to provide domestic water and sewer service to three existing residences located on APN 300-310-017. As stated by the District, service is being provided to this parcel as a result of a prior obligation for service in exchange for the granting of an easement for a sanitary sewer pipeline by the property owners. The District board has determined that additional parcels currently in need of domestic water cannot be served until additional water supply capacity can be developed.

Should you have any questions, please contact me at 623-0450 or bgiuliani@co.tulare.ca.us.

Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc: Dennis Keller


Poplar CSD ESA 2014-03

Road 184

Avenue 144

★
APN
300-310-017

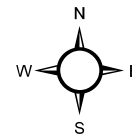
Legend

 Sphere of Influence

 Poplar CSD

★ ESA

0 250 500 Feet





TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
*Steve Worthley, Chair
Juliet Allen, V-Chair
Rudy Mendoza
Allen Ishida
Cameron Hamilton*

ALTERNATES:
*Mike Ennis
Dennis Mederos
Janet Hinesly*

EXECUTIVE OFFICER:
Ben Giuliani

August 6, 2014

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Ben Giuliani, Executive Officer

SUBJECT: Legislative Update

Groundwater Management

There are two bills (AB 1739 - Dickinson and SB 1168 - Pavely) proceeding through the California Legislature that are attempting to address groundwater management. Both of these bills would create new groundwater management agencies with varying powers and responsibilities. Currently, there are several differences between the two bills but the authors are now working together to make the bills more consistent. The latest available legislative analysis for the bills is attached.

CALAFCO has issued letters of concern for both of the bills (attached). AB 1739 currently directly involves LAFCOs in the approval process for the creation of "groundwater sustainability agencies" as a type of special district. The timeline for the creation of such a district and other process oriented comments are outlined in the letter. SB 1168 does not currently involve LAFCO in the formation of "groundwater management agencies" which would instead be formed through a JPA process. The CALAFCO letter outlines the inconsistencies between the two bills.

AB 1739 passed out of the Assembly on a 48-24 vote and is currently in the Senate's Committee on Appropriations. SB 1168 passed out of the Senate on a 24-12 vote and is currently in the Assembly's Committee on Appropriations.

The Association of California Water Agencies (ACWA) has released a white paper with recommendations for achieving groundwater sustainability (attached). The ACWA has issued a letter of support, if amended for SB 1168.

Local Government Financing

SB 614 – Wolk began as a bill addressing irrigation district board of directors elections. It was since amended to address financing of infrastructure for disadvantaged communities by creating new special districts using tax increment financing. The latest available legislative analysis is attached.

CALAFCO has issued a letter of concern regarding this bill. The letter lists several concerns including the long-term financial sustainability of the new districts and the costs and process implications of forming new districts.

SB 614 passed out of the Senate's Committee on Local Government on a 7-2 vote and is now up for full vote by the Senate.

Attachments:

Legislative Analysis (AB 1739, SB 1168, SB 614)
CALAFCO Letters of Concern (AB 1739, SB 1168, SB 614)
ACWA groundwater sustainability white paper
CALAFCO Legislative Report

Legislative Analysis

AB 1739 Dickinson, Groundwater Management

Require all groundwater basins designated as high or medium priority basins by DWR to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, with specified exceptions.

Require a groundwater sustainability agency to certify that its plan complies with the requirements of this bill no later than January 31, 2020, and every 5 years thereafter.

Encourage basins designated as low-priority basins by the department to be managed under groundwater sustainability plans as soon as possible.

Require, to the extent practicable, a groundwater sustainability plan to be coterminous with, and augment a groundwater management plan.

Provide a groundwater sustainability agency specific authorities, including, but not limited to, the ability to:

- Require the registration of a groundwater extraction facility. Any form used to register such a groundwater extraction facility would be prohibited from being made available for inspection by the public.

- Require that a groundwater extraction facility be equipped with a water-measuring device.

- Regulate groundwater pumping

- Impose certain charges.

Prohibit, after January 31, 2020, a person from increasing groundwater extractions on a property within the basin until a groundwater sustainability agency or the State Water Resources Control Board (SWRCB) complies with the requirements described above, unless the person submits to the county a specified report.

Authorize a groundwater sustainability agency to conduct inspections and would require the inspection to be made with any necessary consent or with an inspection warrant. Because the willful refusal of an inspection lawfully authorized by an inspection warrant is a misdemeanor, this bill would impose a state-mandated local program by expanding the application of a crime.

Authorize DWR to provide technical assistance to a groundwater sustainability agency upon the request of the agency

Require, by January 1, 2017, DWR to submit to the Legislature and publish on its Internet Web site best management practices for the sustainable management of groundwater.

Establish it as policy of the state to encourage conjunctive use of surface and groundwater.

Declare that the storage of water underneath the ground is a beneficial use of water.

Require, prior to the adoption or any substantial amendment of a general plan, the local planning agency to review, and if necessary revise the land use, conservation, open space, or any other element of the general plan to address a groundwater sustainability plan, groundwater management plan, groundwater management court order, judgment, or decree, adjudication of water rights, or a certain order of the SWRCB.

Require the planning agency to refer a proposed action to adopt or substantially amend a general plan to any local agency or joint powers authority that has adopted a groundwater sustainability plan or that otherwise manages groundwater and to the SWRCB if it has adopted a groundwater sustainability plan that includes territory within the planning area.

Require a public water system to provide a report on the anticipated effect of the proposed action on implementation of a groundwater sustainability plan.

Require a groundwater sustainability agency to provide the planning agency with certain information as is appropriate and relevant.

SB 1168 Pavely, Groundwater Management

Requires adoption of a sustainable groundwater management plan (SGMP) by January 1, 2020 for all basins that are a high or medium priority as determined by the Department of Water Resources (DWR) according to specified criteria and that are not otherwise being sustainably managed pursuant to an existing plan or adjudication. Specifically, this bill :

- 1) Establishes that is the policy of the state that all groundwater basins be managed sustainably.
- 2) Adds the Sustainable Groundwater Management Act (Act) to the Water Code with the stated intent of empowering local groundwater agencies to sustainably manage groundwater.
- 3) Defines sustainable groundwater management, among other terms.
- 4) Specifies that groundwater basins are those identified in DWR's Bulletin No. 118, as it may be amended, and includes subbasins.
- 5) Allows any local agency or combination of agencies to establish a groundwater management agency (GMA) and recognizes a diverse set of interests that should be considered by the GMA.
- 6) Provides for public involvement in the development of sustainable groundwater management plans (SGMPs).
- 7) Requires DWR, as part of the existing California Statewide Groundwater Elevation Monitoring (CASGEM) program, to categorize each basin and subbasin as either a high, medium, low, or very low priority utilizing factors that include, but are not limited to, population, extent of public wells, overlying irrigated acreage, reliance on groundwater, and any documented impacts upon the basin from overdraft, subsidence, saline intrusion and other water quality degradation.
- 8) Requires a SGMP to be completed, adopted, and submitted to DWR by January 1, 2020 for each high and medium priority basin.
- 9) Requires DWR, in consultation with the State Water Resource Board (State Water Board), to develop a process to certify and exempt existing groundwater management plans or adjudicated areas that already meet the requirements of the Act.
- 10) Requires SGMPs to meet certain standards including:
 - a) Encompassing an entire basin or subbasin;
 - b) Being designed to achieve sustainable groundwater management within 20 years of adoption with progress reports to DWR and the State Water Board every five years.
- 11) Requires DWR, in consultation with the State Water Board, to establish minimum standards for the adoption of a SGMP and provide technical assistance.
- 12) Empowers a GMA to:
 - a) Develop a SGMP;
 - b) Establish monitoring, measuring, and reporting on groundwater conditions;

- c) Require reports on groundwater extraction;
- d) Establish a system for allocating groundwater based on the sustainable yield of the basin;
- e) Collect groundwater management fees; and,
- f) Establish a system for local, voluntary transfers of groundwater within a basin.

13) Requires DWR, by January 1, 2018, to offer assistance to local agencies in medium and high priority basins that have not yet initiated a SGMP and, if there is no positive response, refer the matter to the State Water Board.

14) Allows the State Water Board to initiate a process to have a qualified third party develop a SGMP in high or medium priority basins that either:

- a) Failed to initiate a SGMP process by January 1, 2018; or,
- b) Submitted a plan by January 1, 2020 that failed to meet the requirements of the Act and were unwilling or unable to cure deficiencies identified in the SGMP.

15) Allows a GMA to assume duties for measuring groundwater elevations in a basin under the CASGEM program.

16) Requires coordination between local land use planning efforts and groundwater management planning efforts.

SB 614 Wolk, Local government: jurisdictional changes: infrastructure financing

Allows a local agency to use tax increment financing in a newly formed or reorganized district to fund infrastructure improvements in disadvantaged unincorporated communities. Specifically, this bill:

- 1) Allows a local agency to include in its resolution of an application for change of organization or reorganization a tax increment financing plan to improve or upgrade infrastructure in a disadvantaged unincorporated community through the formation or reorganization of a special district.
- 2) Allows a local agency formation commission (LAFCO) to amend the proposal for a change of organization or reorganization, if a local agency includes a plan pursuant to 1) above, to include the formation of a special district or reorganization of a special district with the consent of the special district.
- 3) Specifies that the district can be, but are not limited to, a community services district, municipal water district, or sanitary district to provide financing to improve or upgrade structures, roads, sewer, water facilities, or other infrastructure needs to serve a disadvantaged unincorporated community.
- 4) Requires the formation of a special district to be in conformity with the requirements of the principal act of the proposed district and all required formation proceedings.
- 5) Provides that nothing in this section precludes a LAFCO from considering any other options or exercising its powers as defined in existing law.
- 6) Allows a local agency's plan for financing services that is included in the petition for a change of organization, consented to by each affected agency, to include a tax increment financing plan, pursuant to the authority granted by this bill.
- 7) Authorizes the local agency that files the resolution of application for a change of organization or reorganization, and one or more other local agencies that will improve or upgrade structures to serve a disadvantaged unincorporated community, to agree on a plan for financing services and structures.
- 8) Authorizes the plan to contain a provision that taxes levied upon taxable property in the area included within the territory each year by or for the benefit of the local agency and one or more other local agencies that consent to the plan, be divided as follows:
 - a) Requires that portion of the taxes that would have been produced by the rate upon which the tax is levied each year by or for each affected local agency, prior to the effective date of the certification of completion, and that portion of taxes by or for each school entity is allocated to the respective affected local agencies and school entities as taxes by or for the affected local agencies and school entities on all property paid; and,
 - b) Requires that portion of levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity that has agreed to participate, in excess of the amount specified in a) above, is allocated into a special fund of a special district formed or reorganized to finance the

infrastructure improvements to serve the disadvantaged unincorporated community.

9) Requires the plan to specify a date upon which the division of taxes described in 8) above, shall terminate.

10) Allows the plan to include a provision for the issuance of indebtedness. Requires any indebtedness to be issued in conformity with current law which governs the issuance of general obligation bonds for local agencies or the principal act of the special district.

11) Prohibits any plan adopted pursuant to this bill to result in the reduction of property tax revenues allocated to any school entity as defined by current law.

12) Defines terms as follows:

- a) "Local agency" to mean a city, county, and special district;
- b) "Affected local agency" to mean a local agency that has adopted a resolution of its governing board consenting to the plan developed pursuant to this bill;
- c) "Territory" to mean all or part of the land that is included in the petition for change of organization or reorganization filed by the local agency;
- d) "Certificate of completion" to mean "the document prepared by the [LAFCO] executive officer and recorded with the county recorder that confirms the final successful completion of a change of organization or reorganization"; and,
- e) "Disadvantaged unincorporated community" to mean inhabited territory with 12 or more registered voters, or as determined by LAFCO policy, that constitutes all or a portion of a disadvantaged community, which is defined in the Water Code to mean "a community with an annual median household income that is less than 80% of the statewide annual median household income."

13) States that it is the intent of the Legislature to provide additional options for financing infrastructure that can be incorporated into the approval of an annexation of a disadvantaged, unincorporated community.

14) Makes other technical and conforming changes.

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Executive Assistant

24 June 2014

Assembly Member Roger Dickinson
California State Assembly
State Capitol Room 2013
Sacramento, CA 95814

RE: AB 1739 – Letter of Concern

Dear Assembly Member Dickinson;

The California Association of Local Agency Formation Commissions (CALAFCO) has been following the amendments to your bill, AB 1739. Local Agency Formation Commissions (LAFCo) are aware of and concerned about the current water shortage in the state, especially now given the current drought. There is no question that as a resource, water is highly valued, and proper management of this precious resource is a priority.

We have been providing comments on the bill to the Association of California Water Agencies (ACWA) and remain concerned about some of what is being proposed. In particular, the requirements to have a LAFCo complete proceedings on the formation of a new agency, or the annexation of an area, within six months of the filing of an application. Further, we are concerned about the requirement of LAFCo to complete an annexation at the direction of a county for an agency delegated such responsibilities by January 1, 2017.

The legislation that governs how a LAFCo operates is found in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). There is a process defined that LAFCo follows when considering the formation of a new agency or district. Part of that is dependent upon the principal act under which the new agency or district is formed. Based on this, there are a number of factors that have yet to be considered. Our concerns include (but are in no way limited to):

1. **Timeline required for formation/annexation.** It is unreasonable and unrealistic to require a LAFCo to complete the formation of a new district or an annexation within six months of the filing of an application. Current language does not account for the need for the application to be deemed complete by the LAFCo and the Certificate of Filing to be done, nor does it consider all of the other factors associated with such an action such as those within the Revenue and Taxation Code, as well as the potential need for a confirmation of the voters.
2. **Directive of the county.** The bill allows for a county to delegate the authority for the creation of a groundwater sustainability plan to a local agency, and requires the LAFCo to take action on that directive and complete such by January 1, 2017. This is problematic for a number of reasons not the least of which is the specific actions LAFCo is to take to accomplish the directive are unclear, as is the legislative authority to do so. Further, there is no indication of when the county may take that action, so assigning an arbitrary deadline is of grave concern. Realistic time frames must be considered. In addition, it is unclear who will pay for the LAFCo services. As it is a county directive, will the county be financially

- responsible or will the agency delegated the responsibility be required to also be financially responsible?
3. **Principal Act.** The principal act under which these new groundwater management agencies shall be formed needs to be determined.
 4. **Formation process.** Should the new agency be formed as a special district, we must consider if there will a sphere of influence for each agency; will there be inclusion into Municipal Service Reviews; what happens in the case of an adjudicated basin where there have been judgments and other contractual obligations. Those that choose to form as a JPA will not be subject to any kind of LAFCo approval, so formation and oversight of these entities will be inconsistent.
 5. **Definitions.** Virtually all of the definitions in AB 1739 differ from those in Senator Pavley's bill, SB 1168, and from those contained in the Governor's proposal. In fact, your bill references a groundwater sustainability agency, while Senator Pavley's bill refers to them as groundwater management agencies. We strongly suggest one term and definition, and that they be included in all of the appropriate code sections, including CKH.
 6. **A lot of "if this-then that".** The bill attempts to define a process with specific timelines and within that process there are a great deal of moving parts. There is concern about the agency or entity responsible for monitoring these timelines. The bill as amended prescribes actions that appear to be dependent upon each other, while the resources needed to accomplish these directives is not identified.
 7. **Local level management.** While the bill works towards the idea that sustainable groundwater management is best done at the local level, there are prescriptions within the bill that use a "one size fits all" approach which may not be the most appropriate solution for certain areas, particularly adjudicated basins.

The Senate Committee on Natural Resources and Water staff analysis of the bill, while providing no specific amendments or suggestions, thoroughly outlined a number of issues that are being addressed and have yet to be addressed. While we recognize that some of those have been mentioned above, we share in all of the concerns outlined in that analysis.

CALAFCO wishes to thank you (and Senator Pavley) on taking up this very difficult and critical issue, and for working with stakeholders to create as clear and effective legislation as possible. We support the concept of managing groundwater in a responsible and sustainable way, and look forward to continuing to work with you, your staff, ACWA and other stakeholders on AB 1739.

Sincerely,



Pamela Miller
Executive Director

CC: Senator Fran Pavley, co-author
Steve McCarthy, Senate Republican Caucus

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Deputy Executive Officer

JENI TICKLER
Executive Assistant

26 June 2014

Senator Fran Pavley
California State Senate
State Capitol Room 4035
Sacramento, CA 95814

RE: SB 1168 – Letter of Concern

Dear Senator Pavley;

The California Association of Local Agency Formation Commissions (CALAFCO) has been following the amendments to your bill, SB 1168. Local Agency Formation Commissions (LAFCo) are aware of and concerned about the current water shortage in the state, especially now given the current drought. There is no question that as a resource, water is highly valued, and proper management of this precious resource is a priority.

We have been providing comments on AB 1739 (Dickinson) to the Association of California Water Agencies (ACWA) and the author's staff, and remain concerned about some of what is being proposed in that bill, as you heard in your committee hearing this week. CALAFCO appreciates the collaborative nature in which you and Assembly member Dickinson are working, not only with each other but also with a host of stakeholders. To that end, we realize both of these bills continue to be a "work in progress", and appreciate your willingness to consider all concerns and be open to suggested amendments.

With respect to SB 1168, we are specifically concerned with the variance in definitions from AB 1739 and language relating to the groundwater management agency formation.

Most notably, areas of concern include:

1. **Definitions.** Virtually all of the definitions in SB 1168 differ from those in Assembly member Dickinson's bill, AB 1739, and from those contained in the Governor's proposal. Your bill references a groundwater management agency, while Assembly member Dickinson's bill refers to them as groundwater sustainability agencies. We strongly suggest one term and definition be used throughout, and they be included in all of the appropriate code sections.
2. **Formation process.** SB 1168 states that any local agency may establish a groundwater management agency through a joint powers agreement or a memorandum of agreement or other legal agreement. This appears inconsistent with AB 1739, which allows the landowners and other groundwater users to form a new public agency or request to be annexed into an existing groundwater management agency, and calls on LAFCo to process such requests. AB 1739 requires LAFCo to complete that process in 180 days from the filing of the application. As we expressed in our letter to Assembly member Dickinson, we have great concern over this language and required timeframe, and look forward to offering substitute language in the future for consideration.

3. **Local level management.** While the bill works towards the idea that sustainable groundwater management is best done at the local level, an idea we fully support, there are prescriptions within the bill that use a “one size fits all” approach which may not be the most appropriate solution for certain areas, particularly adjudicated basins.

The Senate Committee on Natural Resources and Water and Assembly Committee on Water, Parks and Wildlife staff analyses of the bill, while providing no specific amendments or suggestions, thoroughly outlined a number of issues that are being addressed and have yet to be addressed. While we recognize that some of those have been mentioned above, we share in all of the concerns outlined in those analyses. Many of those (some of which are not included herein) were outlined in our letter to Assembly member Dickinson dated June 24, 2014, a copy of which was provided to your office.

CALAFCO wishes to thank you (and Assembly member Dickinson) for taking up this very difficult and critical issue, and for working with stakeholders to create as clear and effective legislation as possible. We support the concept of managing groundwater in a responsible and sustainable way, and look forward to working with you, your staff, and other stakeholders on SB 1168.

Sincerely,



Pamela Miller
Executive Director

CC: Assembly member Roger Dickinson, co-author
Steve McCarthy, Senate Republican Caucus

20 June 2014

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Deputy Executive Officer

DAVID CHURCH
Deputy Executive Officer

JENI TICKLER
Executive Assistant

Senator Lois Wolk
California State Senate
State Capitol Room 4032
Sacramento, CA 95814

RE: **SB 614 – Letter of Concern**

Dear Senator Wolk:

The California Association of Local Agency Formation Commissions (CALAFCO) has been following the amendments to your bill, SB 614. Local Agency Formation Commissions (LAFCo) are aware of and concerned about the disparity of local public services, especially for residents and properties located within disadvantaged unincorporated communities. All Californians deserve adequate and safe water, modern sewage disposal and other essential public services. CALAFCO supports your efforts to address these problems which persist in many counties.

The provisions of SB 614 attempt to begin addressing this problem by constructing an opportunity for a funding mechanism to be created to provide infrastructure upgrades through a tax increment tool once the area is annexed.

Our review of the amended legislation raises several concerns we hope we can work with you to address. We appreciate the willingness of you and your staff to work with us the past several weeks on addressing some of our initial concerns and accepting some of our proposed amendments. However, there are still a number of concerns that remain.

Of primary concern is that the outcome of this legislation, while producing a finance mechanism for infrastructure upgrades, does not address the long-term financial sustainability of the district once formed. Further, the process as defined in the current version of the bill calls for the LAFCo to initiate the formation proposal, which should be an action by the applicant.

Specific concerns include:

1. **Long-term financial sustainability.** While the bill addresses the financing of the initial infrastructure upgrades, it does not address the ongoing concern of maintenance and operations. The disadvantaged community, by nature of the definition, cannot afford to pay the ongoing maintenance costs that would be required to finance and support an upgraded/improved infrastructure. They are by their very nature, communities of low resources, which is likely one of the primary contributors to a failing infrastructure in the first place. While they will not be alone in paying the district's assessments, which will no doubt have to be increased to support the upgraded infrastructure, they will be burdened with a portion of it.

1215 K Street, Suite 1650
Sacramento, CA 95814

Voice 916-442-6536
Fax 916-442-6535

www.calafco.org

2. **Cost of new or reorganized independent special district.** The formation of a new or reorganization of an independent special district requires a complete municipal service review in order to determine a sphere of influence, and even an election if one were necessary. One could argue that the cost of the new governance of an independent special district would defeat the gain of tax increment intended for actual infrastructure improvements. Additionally, it would take years for the property values to increase.
3. **The process for determination should be more clearly defined.** As written, the bill permissively allows a LAFCo to amend a proposal to include the formation of a new or reorganization of an existing special district if certain criteria are met. We believe the more appropriate action is for the applicant to identify clearly in the resolution of application that this one of the options they are requesting.
4. **Application criteria.** In order for the proper determination to be made that creating this tax increment financing district is the best and most appropriate option, we suggest the LAFCo be provided certain information by the applicant to include a financial feasibility plan that demonstrates the formation of the special district will be able to provide the necessary financial resources to deliver and maintain services outlined in the application. Further that the study include an estimated timeframe for constructing and delivering those services, and a projected timeframe for recovering the estimated construction costs including the estimated increase in property values and associated tax increment. Lastly, that a plan for long-term governance, maintenance and service delivery once initial costs are recovered and the tax increment financing terminates.
5. **The use of tax increment financing.** There is underlying concern that the use of tax increment financing through a LAFCo action when there is no vote of the tax payers is cause for further review and consideration. We are concerned that such a LAFCo action may have unintended consequences that have yet to be realized.
6. **Technical language clean-up.** There are some technical terms that require clean-up for consistency with other areas of Cortese-Knox-Hertzberg.

CALAFCO remains committed to help find solutions to the disparities in service delivery to disadvantaged communities. We recognize that this is one possible solution, however there is still much to consider with respect to the implementation and long-term sustainability. Based on the feedback of the CALAFCO membership to date, several commissions may take their own position of opposition to the bill as currently written unless the primary concerns are addressed.

Again, we appreciate your willingness to engage CALAFCO in the process and work to address our concerns. We will be providing specific suggested language for your consideration that addresses some of the concerns noted above. We look forward to continue working with you on addressing the service deficiencies to disadvantaged communities.

Yours sincerely,



Pamela Miller
Executive Director

Cc: Chair and Members, Assembly Local Government Committee
Misa Yokoi-Shelton, Associate Consultant, Assembly Committee on Local Government
William Weber, Principal Consultant, Assembly Republican Caucus



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Recommendations for Achieving Groundwater Sustainability

*Prepared by the Association of California Water
Agencies*

April 2014

Recommendations for Achieving Groundwater Sustainability

I. Introduction and Background

The Association of California Water Agencies (ACWA) has prepared these recommendations in response to growing concern about potentially unsustainable groundwater level declines, local subsidence and degraded groundwater quality in some subbasins and widespread recognition that further action is required to promote and achieve groundwater sustainability throughout California.

Most groundwater basins in the state are under sound local and regional management; some, however, are not. Local control of groundwater continues to be the most effective form of management, even in areas where sustainability concerns have emerged and must be addressed. Existing authorities and requirements for managing groundwater basins provide a strong foundation, but achieving more sustainable management requires additional tools to augment that foundation. The Brown Administration also has recognized the need for additional tools, noting in its California Water Action Plan (January 2014) that sustainable groundwater management can be improved by ensuring “that local and regional agencies have the incentives, tools, authority and guidance to develop and enforce local and regional management plans that protect groundwater elevations, quality and surface water-groundwater interactions.”

In many areas, including parts of the San Joaquin Valley, overdraft has been and continues to be exacerbated by a significant reduction in available surface water supplies over the past two decades. The inability of the State Water Project and the federal Central Valley Project to reliably deliver contracted water supplies has eliminated a substantial amount of surface water that once played a key role in recharging groundwater basins. In many cases, demand for groundwater is directly related to the reliability and availability of surface water supplies. The loss of reliable surface water supplies means that past investments in local and regional water systems – and the agricultural, urban and environmental water uses long supported by conjunctive management of surface water and groundwater resources – are now at risk.

To be sure, there are instances where unchecked new groundwater demands in unmanaged areas are putting new stresses on groundwater resources, sometimes with devastating effects on other users within the same basin or even in a neighboring basin that is being well managed. Like the loss of surface water supplies, this presents an untenable situation that simply must not go unaddressed.

This document outlines ACWA’s suggested approach for achieving groundwater sustainability and identifies incentives, tools and authorities required to implement that approach. The recommendations

provided here are focused primarily on basins and subbasins defined by the Department of Water Resources' California Groundwater Bulletin 118.

Fractured bedrock and other settings that fall outside of basins and subbasins defined by Bulletin 118 are not the focus of these recommendations. Groundwater extractions in these settings typically are site-specific or condition-specific and lack connection to areas covered by a local or regional groundwater management plan. As such, they present unique issues and warrant special consideration outside the scope of this document.

ACWA's recommendations build on the Association's Board-adopted Groundwater Management Policy Principles (March 2009) and ACWA's landmark document, "Sustainability from the Ground Up: A Framework for Groundwater Management in California" (April 2011), which provided an in-depth look at groundwater management in California and recommended proactive steps to advance groundwater sustainability.

ACWA recognizes that various legislative changes are needed to provide the authorities necessary to implement many of these recommendations. Given the importance and complexity of state policy in this area, any necessary changes should be proposed and considered through the normal legislative process for policy bills, as opposed to through the budget trailer bill process. The policy bill process will provide more time for thoughtful deliberation on the legislation and will allow for increased transparency and stakeholder input.

Implementing the following recommendations will significantly improve groundwater management capabilities where they are deficient, accelerate the achievement of sustainability by local and regional entities, and guide enhanced state support where needed.

II. Policy Objectives for Achieving Groundwater Sustainability

The following policy objectives must be advanced simultaneously to ensure groundwater sustainability in California.

- 1) **Enhance Local Management.** Groundwater basins should continue to be managed by local and regional agencies with input from local stakeholders through a local or regionally-developed and administered Groundwater Management Plan (GMP).
- 2) **Establish Mandatory Minimum Groundwater Management Plan Requirements and Increased Authorities.** Local groundwater management planning must become uniformly consistent with or functionally equivalent to requirements laid out in SB 1938 (Machado, 2002) (Water Code Section 10753 et seq.). Additionally, Section III below identifies sustainability timeframes (Recommendation 1) and additional tools and authorities (Recommendation 5) needed to advance sustainable management.

- 3) **Avoid or Minimize Subsidence.** In areas where groundwater pumping is resulting in subsidence at levels causing damage or risk of damage to overlying infrastructure that affects parties outside of an existing management area, additional land use planning, engineering, capital improvement and monitoring and reporting requirements -- including possible pumping restrictions in the impacted area -- should be implemented by the local or regional groundwater management agency.
- 4) **Assess Groundwater Connection to Surface Waters.** GMPs should include an evaluation of the relationship the surface water source has to groundwater levels and quality in the subbasin or basin and identify the impacts, if any, on the surface water source and its related public benefits.
- 5) **Improve Data Availability.** Many groundwater management agencies currently monitor and collect groundwater data to implement successful groundwater management strategies to address overdraft conditions or concerns. Consistent with their GMPs, groundwater management agencies should collect appropriate management data and make it publicly available both locally and to the state through the Department of Water Resources' (DWR) California Statewide Groundwater Elevation Monitoring (CASGEM) program.
- 6) **Increase Groundwater Storage.** Storing surface water in underground storage basins is necessary to optimize use of the state's limited and highly variable water supplies. This need will only increase with climate change. California must take aggressive steps to develop significant new groundwater storage and conjunctive use projects, including potential state funding for local project capital costs.
- 7) **Remove Impediments to Recharge.** Coordinated and planned use of surface water, recycled water, stormwater and groundwater resources to maximize the availability and reliability of water supplies is an essential management method. Policies that are impediments to groundwater recharge should be evaluated and revised as necessary.
- 8) **Do No Harm.** In many areas of the state, sustainable local and regional groundwater management is being accomplished successfully. Contemplated changes to groundwater management statutes and other potential requirements should not impose additional undue burdens or mandates in these areas.
- 9) **Reassess Surface Water Reallocations.** Actions by the State Water Resources Control Board (SWRCB) to reallocate surface water supplies to dedicated instream uses and water quality certification requirements have affected and will continue to affect to a significant degree the management and sustainability of groundwater basins in areas that previously relied on that surface water. Consequently, implications for groundwater management should be considered

explicitly when the SWRCB undertakes its balancing of beneficial uses of water in the broad public interest.

10) **Provide State Financial and Technical Assistance.** The state, through DWR, should provide significant new financial assistance and technical support to local and regional agencies for improving or developing GMPs. Developing management capacity in currently unmanaged areas should be the first priority.

11) **Provide a “Backstop.”** SWRCB authority should be applied only where local agencies are unwilling or unable to sustainably manage the groundwater resource despite having the tools and authorities to do so and when an appropriate period of time has passed (considering the unique management issues and geology/hydrology of the subbasin or basin) without demonstrated progress toward sustainability. The SWRCB should intervene as a last resort, in carefully prescribed circumstances and for limited duration, and should restore local control at the earliest opportunity.

III. Recommended Administrative and State Legislative Actions

ACWA recommends the following administrative and state legislative actions to help achieve the above policy objectives. Actions should be prioritized to address critical, rapidly deteriorating basins or subbasins through a combination of capacity building, technical assistance and financial support. New requirements and new local and regional authorities should be established where needed to initiate and implement effective GMPs.

1. Adopt State Definition of “Sustainable Groundwater Management”

The state should adopt a definition of “sustainable groundwater management” in statute. ACWA recognizes this is a complex issue that must take into account spatial and time scale considerations, multiple resource management objectives and stakeholder perspectives.

In its 2011 Groundwater Framework, ACWA developed the following definition of sustainability in the context of groundwater:

ACWA 2011 Definition of “Sustainability”

*Actively managing the resource at the local level in a way that satisfies the needs of both the environment and the economy while ensuring the continued health of the basin.*¹

ACWA also agrees with and has cited the following definition developed by the United States Geological Survey (USGS):

¹ ACWA (2011). *Sustainability From the Ground Up: Groundwater Management in California – A Framework* p.7

United States Geological Survey: “Sustainability of Groundwater Resources”

*Development and use of groundwater in a manner that can be maintained for an indefinite time without causing unacceptable environmental, economic, or social consequences.*²

Sustainability by nature implies a perpetual timeframe. In this context, ACWA recommends the following updated definition to underscore that sustainable groundwater management requires a long-term and continuous investment in effective planning and implementation.

Proposed State Definition of “Sustainable Groundwater Management”

“Sustainable groundwater management” is the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing unacceptable related environmental, economic or social consequences through the development, implementation and updating of plans and programs based on the best available science, monitoring, forecasting and use of technological resources.

Local or regional GMPs should be required to develop subbasin or basin-relevant indicators and performance metrics that could be used by DWR and the SWRCB to evaluate objectively the plans’ ability to achieve progress toward “sustainable groundwater management.”

2. Prioritize Unmanaged Basins or Subbasins

The state must identify and prioritize action based on the severity of groundwater threats in basins and subbasins that are not currently being managed by local or regional agencies. DWR should be directed to identify those basins or subbasins that are designated as “medium” or “high” priority based on the CASGEM basin prioritization study (2013) and that are not currently being managed by a local or regional groundwater management agency or that are not currently covered by a comprehensive (meaning complete coverage of the basin or subbasin) local or regional GMP (or functional equivalent). DWR also should identify other specific areas where groundwater use is creating damage or significant risk of damage to overlying infrastructure (conveyance, transportation, flood channels, distribution systems, etc.) external to that of the management agency that is not being addressed currently and where groundwater management assistance may be warranted.

3. Adopt Uniform Minimum Requirements for Groundwater Management Plans and Implementation

The state should adopt uniform minimum requirements for GMPs for all basins or subbasins (with the exception of adjudicated basins or subbasins). Existing local and regional GMPs in basins or subbasins statewide should be reviewed and updated by the local or regional groundwater management agency to meet the following requirements:

² Alley, W.M., Reilly, T.E., and Franke, O.L. (1999). *Sustainability of Ground-Water Resources: U.S. Geological Survey Circular 1186.*

- a) **Planning Boundary.** The optimum unit for groundwater management should be a subbasin as defined by DWR Bulletin 118. Preferably, each subbasin should be covered by only one GMP. Where multiple existing plans cover different portions of a subbasin or basin, they should demonstrate coordination such that the goals and basin management objectives of respective GMPs are complementary in their contribution to basin sustainability and do not conflict or impede management activities of neighboring groundwater management agencies. All lands overlying the subbasin should be subject to the provisions of the locally-adopted GMPs. A groundwater management planning agency should be authorized to incorporate into its existing GMP neighboring areas overlying its subbasin not already covered by another GMP. A subbasin boundary may be adjusted to address hydrologic conditions and other features of the subbasin, based on a technical analysis supporting the boundary adjustment and in consultation with adjacent subbasin groundwater management agencies and DWR. If groundwater users in a portion of a subbasin outside of the jurisdictional boundary of a groundwater management agency choose not to participate in a GMP, they should be required to prepare an individual GMP and be subject to SWRCB intervention as described in Recommendation 7 in this section.
- b) **Plan Standards.** GMPs should satisfy SB 1938 (Water Code Section 10753 et seq.) standards or their functional equivalent, including basin management objectives associated with groundwater quantity and quality, as well as subsidence and monitoring programs that meet the sustainability objective discussed above. Existing GMPs that do not meet SB 1938 standards should be required to be updated to satisfy them.
- c) **Compliance Requirements.** GMPs in basins or subbasins designated by DWR as “medium” or “high” priority based on the CASGEM basin prioritization study should be updated and adopted by local and regional agencies within five years of establishment of the mandatory minimum standards. GMPs should not be required in “low” priority basins or subbasins but should be encouraged and supported. GMPs should be required if a “low” priority basin or subbasin is subsequently reclassified as “medium” or “high.” GMPs should include an implementation schedule and best management practices and tools to ensure local and regional agencies can verify progress toward achievement of quantifiable basin management objectives, resulting in sustainable groundwater management.
- d) **Sustainability Timeframe.** GMPs should be developed to ensure that sustainable groundwater management (defined above) will be achieved over a specific timeframe, which must be long enough to be feasible and provide for implementation success (groundwater moves extremely slowly), yet short enough to spur committed action. GMPs should include an analysis demonstrating that implementation of the basin management objectives should achieve sustainable groundwater management in the basin or subbasin within 20 years. GMPs should include a planning and implementation horizon of at least 50 years. Extensions beyond the 20-year sustainability timeframe may be necessary in some instances based on particular circumstances; but in no case should an extension exceed 10 years (30 years total).

- e) **Groundwater Extraction Prohibition.** Extraction of groundwater for newly developed lands (including agricultural plantings) outside of groundwater management areas is a significant issue. Unless covered by a GMP, groundwater extractions for new development (commercial, multi-family residential or industrial) or new plantings of permanent crops should be prohibited in “medium” and “high” priority groundwater subbasins. (This provision should not apply to single-family domestic wells.) As discussed below, this requirement should be administered through a locally-administered well permitting process.

- f) **Technical Review and Approval.** GMPs should be subject to technical review for adequacy by DWR and should be approved, conditionally approved or determined to be inadequate and returned for revision within six months. GMPs that are determined to be inadequate should be revised and resubmitted to DWR within six months. For GMPs that continue to be determined to be inadequate, the SWRCB should intervene and impose an adequate GMP (after a public hearing) as necessary to ensure progress toward sustainability of the subbasin or basin. (See Recommendation 7 below.)

- g) **Performance Reporting.** Performance reports for all GMPs comparing current status to basin management objectives should be submitted to DWR annually. Summaries of monitoring data should be made available regularly to DWR’s CASGEM program and locally to basin or subbasin stakeholders through web-based applications or similar methods.

- h) **Performance Review.** GMPs and performance reports for subbasins identified through CASGEM as “medium” and “high” priority areas should be subject to review by the SWRCB on a periodic basis (every five years) to ensure that they are meeting performance metrics and are progressing toward or have achieved sustainable groundwater management.

4. Develop Best Management Practices

DWR should be directed to develop a best management practices (BMPs) guidebook that would provide a “toolbox” for local and regional groundwater management agencies to facilitate completion of effective GMPs and provide a template for evaluation of their adequacy. This BMPs guidebook should be developed using a robust and inclusive stakeholder process (similar to the process already in place to develop guidance for preparation of Urban Water Management Plans or Agricultural Water Management Plans). Example BMPs from existing successful GMPs should be considered, along with best practices proposed by groundwater management professionals, associations, academia and other sources.

GMPs would not be required to incorporate all of the identified BMPs. The local or regional groundwater management agency would select BMPs for inclusion in the GMP that would result in a sustainably-managed subbasin or basin. Additionally, the local or regional agency could develop or adopt alternative practices that would result in a sustainably-managed basin or subbasin.

The BMPs guidebook should include, but not be limited to, the following elements:

- a. **Illustrative Quantifiable Basin Management Objectives.** Methods for developing quantifiable basin management objectives relevant to the conditions of a particular subbasin, which could include but not be limited to: groundwater quantity assessment and monitoring, annual operational parameters for exercising the subbasin, drought management, aquifer recharge (both direct and indirect) and storage, groundwater quality, percolation capability or injection levels, land subsidence and characterization of surface water-groundwater relationships based on subbasin-specific hydrological analysis.
- b. **Subbasin Boundary Adjustment.** Methods for conducting subbasin interconnectivity analysis and adjusting subbasin boundaries. This could be similar to the Integrated Regional Water Management (IRWM) boundary determination and acceptance process administered by DWR.
- c. **Groundwater Monitoring.** Methods for implementing groundwater monitoring programs for groundwater elevation, extraction, aquifer recharge, change in storage and water quality.
- d. **Well Permitting.** Administrative methods for well permitting, well construction and well abandonment.
- e. **Groundwater Recharge.** Protocols for evaluating and implementing spreading basin and storage projects, for example: stormwater capture and related potential treatment and recharge projects, on-farm return systems, multi-objective flood control and habitat restoration projects and other methods to increase groundwater supplies.
- f. **Sustainability Indicators.** Methods to develop and apply locally relevant sustainability indicators that can be used to demonstrate sustainable groundwater management (as defined above).
- g. **Overdraft Measures.** Taking into account that some groundwater management agencies “exercise” their basins and utilize regular groundwater withdrawals and drawdown (“managed overdraft”) as tools within a comprehensive multi-source, multi-year planning horizon, methods should be identified to develop locally relevant measures of “overdraft” and “critical condition of overdraft.” DWR Bulletin 118 definitions provide reasonable guideposts for consideration. The definition of “overdraft” in Bulletin 118 is “the condition of a ground water basin where the amount of water extracted exceeds the amount of ground water recharging the basin over a period of time,” and “critical condition of overdraft” is defined as water management practices that “would probably result in significant adverse overdraft-related environmental, social, or economic effects.”
- h. **Public Review Process.** Protocols for conducting open, inclusive and transparent stakeholder and public review processes in the development, implementation and administration of a GMP.

- i. **Governance Structures.** Examples of governance structure options that could be used to prepare and manage GMPs based on the specific conditions and needs of the basin or subbasin, or where joint governance or coordination of multiple GMPs is necessary or preferable. In the latter instance, governance options may include, but are not limited to, a Joint Powers Authority (JPA), a Memorandum of Understanding (MOU) among existing agencies, an IRWM planning group, a newly created special district, any of which may include a locally-authorized Watermaster, or some other appropriate local or regional governance entity.
- j. **Data Collection and Reporting.** Protocols and standards for conducting adequate data collection and reporting of groundwater elevations, water quality, subsidence levels and surface water-groundwater relationships to verify progress toward basin management objectives. The BMPs should include recommended quality control and quality assurance protocols.
- k. **Demand Management.** Examples of potentially applicable demand management programs including, but not limited to, use of irrigation and water use efficiency technology, land retirement programs, conservation easements and related incentives, pumping restrictions, tiered allocation of usable groundwater and closer integration with demand management programs contained in Urban Water Management Plans or Agricultural Water Management Plans of agencies within GMP areas.

5. Enhance Local and Regional Agency Authority

Local and regional groundwater management agencies need enhanced authority to successfully implement their GMP basin management objectives to achieve sustainable groundwater management. Although some types of local or regional groundwater agencies or forms of governance are currently authorized and already may be using some of the following authorities, this is generally the exception rather than the rule. Local and regional groundwater management agencies statewide should be granted all of the following authorities and be empowered to select the ones they determine to be necessary and most effective to implement their GMPs.

- a) **Groundwater Management Fees.** Groundwater management agencies need to fund required planning and administrative activities, data collection and reporting, acquisition of supplemental water for replenishment, acquisition of lands or easements to reduce demand, and implementation of BMPs. Local or regional agencies should be granted authority to impose fees or assessments based on estimates or reports of groundwater use or other means in compliance with existing state law. Legislation may be needed to address current barriers to imposing local groundwater-related fees. (See Recommendation 6.)
- b) **Groundwater Allocation and Extraction Limits.** The rights of individuals to pump groundwater should be subject to responsible management regulations by groundwater management agencies in much the same way that the use of property is subject to land use regulations by

cities and counties. Groundwater management agencies should be authorized to monitor or estimate groundwater use within a basin or subbasin and impose allocation programs or pumping restrictions in time or amount, create exemptions for small or disadvantaged users, or to develop tiered pricing or other market-based means to implement basin management objectives and ensure sustainable groundwater management. Allocation and extraction limits may raise a significant issue with respect to groundwater rights and legal priorities among groundwater users. Further legal analysis and discussion of such issues is necessary to ensure these tools and authorities can be implemented in a legally defensible manner.

- c) **Well Permitting.** Some local or regional groundwater management agencies manage well permitting programs. In other cases counties manage well permitting programs that may or may not be implemented cooperatively with groundwater managers. Where well permitting programs are lacking or need significant improvement to provide essential management information to implement GMPs and basin management objectives, local or regional groundwater management agencies should be authorized to assume or cooperatively manage well permitting responsibilities. Existing well permitting programs may need to be expanded and adequately funded to ensure that location, well depth, water quality and production information is collected and well construction specifications and well abandonment standards are enforced. New well permits should be conditioned upon receiving a water availability determination and “will serve” letter (see “e” below).
- d) **New “Summary Proceeding” Enforcement Capability.** Along with new responsibilities and authorities to manage groundwater, local or regional groundwater management agencies should be granted new enforcement authority. Enforcement should be focused and limited to those instances where landowners or other groundwater users are in violation of groundwater management requirements, have been issued time-limited corrective notices and have been given a reasonable period to comply. In these cases, the landowner should be subject to a “summary proceeding” such as authorized by California Code of Civil Procedure, Part 3, Title 3 to enforce property-related violations. This provision could be amended to add a new chapter, “Summary Proceedings Associated with Violation of Basin or Subbasin Groundwater Regulation,” which would be instituted to obtain appropriate judicial review, judgment and writ of execution (with service and return by appropriate sworn law enforcement personnel in cooperation with the groundwater management agency) resulting in cessation of the groundwater extraction and use pending the completion of required corrective measures and payment of monetary damages, attorney fees and costs of the proceeding.
- e) **Water Availability Determinations.** Currently, new development projects are required to secure “will serve” letters from local water agencies, and larger projects are subject to Water Availability Determinations to show that sufficient water is available as part of the land use approval process. This requirement should be expanded. Land use agencies should be required to consider protection of prime groundwater recharge areas and consult groundwater

management agencies regarding any significant groundwater-dependent development, including new permanent crop plantings, in order to obtain “will serve” letters and Water Availability Determinations.

- f) **GMP Consistency Determinations.** County and city general plans are currently required to consider the Urban Water Management Plans of water agencies within their jurisdictions. This requirement should be extended to GMPs for the basins or subbasins within their jurisdictions. In addition, groundwater management agencies should be authorized to issue “GMP Consistency Determinations” for all new proposed industrial, residential or agricultural development (including introduction of permanent crops) that may have a significant effect on groundwater resources. “GMP Consistency Determinations” should be used by the lead agency to inform project environmental impact assessments and discretionary land use approvals. Where new proposed groundwater use is determined to be inconsistent with the GMP and to impede attainment of sustainable groundwater management, it should be presumed to have a “significant adverse impact on the environment” under CEQA and either be mitigated or be subject to a Statement of Overriding Consideration by the lead agency.
- g) **Expedited LAFCO Formation Assistance.** In basins or subbasins in which there is no existing local and regional groundwater management agency, the applicable Local Area Formation Commission should be authorized to provide special technical assistance and an expedited timeline to facilitate the formation of such an agency. This process also should apply to existing groundwater management agencies that are required or seek to annex into their jurisdictions unmanaged lands overlying the subbasin or basin managed pursuant to their GMPs. The cost to provide this expedited agency formation assistance should be included in the new agency’s administrative budget and assessment fees and reimbursed to the LAFCO within one year of the creation of the new agency.

6. Ensure Adequate Funding

The SWRCB and DWR should coordinate available funding and resources from the Governor’s proposed budget to identify basins or subbasins lacking coverage by an existing comprehensive GMP (see Recommendation 2, above).

For basins or subbasins in which there are existing local or regional groundwater management agencies to prepare or revise and implement GMPs, required funding should be predominantly based on local or regional fees or assessments, assuming successful implementation of Recommendation 5a., regarding funding. Local or regional groundwater management agencies also should continue to supplement their funding through grants or loans from existing state and federal funding programs (especially if the basin or subbasin includes disadvantaged communities that are dependent upon groundwater that fails to meet public health standards).

ACWA opposes the imposition of a statewide water user fee or “public goods charge” but stands ready to work with the Administration to identify alternative ways to help ensure adequate funding for local and regional groundwater management agencies to implement their GMPs. ACWA acknowledges the constraints local agencies face in raising fees for needed groundwater management investments (e.g. Proposition 218) and is committed to a dialog about sustainable and integrated financing.

Finally, an additional funding source may be created during development of a new proposed state water bond, if approved by California voters. Significant bond funding could be targeted to create an incentive for development of new groundwater storage projects in basins or subbasins that have adopted GMPs and sustainability indicators that demonstrate sustainable groundwater management.

7. Provide for State Backstop Authority When Local Action Has Not Occurred or Has Been Insufficient

In those instances where there is no groundwater management agency in a basin or subbasin and where the local or regional entity does not develop or implement a compliant GMP within defined timelines, or where the local or regional entity fails to meet performance objectives set forth in an approved GMP, the SWRCB should hold a hearing for each basin or subbasin and invite affected local, regional and other stakeholders to present information to inform SWRCB decision-making regarding whether corrective action is necessary and likely to be most effective under the specific circumstances.

Based on the results of the hearing, the SWRCB should either 1) issue an order to a qualified local or regional agency that includes a compliance schedule for completion and implementation of a GMP that will result in progress toward sustainability; or 2) assign to a qualified third party the responsibility to develop and implement a compliant GMP under contract to the SWRCB and subject to final approval by the SWRCB. In either case, the SWRCB should be given authority to assess a fee sufficient to cover the cost of SWRCB administration, and any work by a third-party contractor. The fee should be collected by the local agency, and it should be clear that the fee is a “property-related fee.”

During this period of plan development, the SWRCB should order that groundwater extraction be reduced throughout the subbasin as necessary to preserve the potential for achieving sustainable groundwater management within a 30-year timeframe. The SWRCB should be required to hold a hearing to develop a protocol or allow for alternatives to achieve the same reduction in demand to facilitate recovery of the basin.

SWRCB should return management to a new or existing qualified local or regional agency as soon as practicable after a reasonable demonstration of willingness, organization and financial capacity has been made.

8. Remove Impediments to Water Supply Reliability

Sustainable groundwater management in California depends on creating more opportunities for robust conjunctive management of surface water resources. Many groundwater basins facing unsustainable overdraft conditions have depended on previously reliable surface water supplies that are no longer available. A significant number of these areas have lost surface supplies that were once conjunctively

managed but have now been reallocated to serve instream or other regulatory requirements in response to various judicial, state and federal mandates. Climate change will only intensify the need to recalibrate and reconcile surface and groundwater management strategies.

As an illustration, water conveyed through the Delta for delivery to areas on the west side of the San Joaquin Valley and the Tulare Basin has been greatly reduced over the past 20 years due to a variety of regulatory actions. Those deliveries – and deliveries to Southern California and parts of the Bay Area, as well -- were designed in part to remedy overdraft conditions recognized many years ago. Both the state and federal governments, as operators of the State Water Project and the federal Central Valley Project, respectively, have reduced the reliability and average amount of deliveries and thus have severely diminished the supplemental supplies historically available and incorporated into plans for conjunctive use in these areas. Similar changes and resulting ramifications have occurred in some portions of the east side of the San Joaquin Valley as well. The SWRCB and the Administration cannot divorce groundwater conditions and management from overall state water policy. Any public trust balancing by the SWRCB must weigh the value of surface water for groundwater replenishment and recharge to promote the state's interest in groundwater sustainability.

The SWRCB and DWR should identify ways to reduce impediments and regulatory barriers to facilitate more water transfers, increase stormwater and recycled water recharge, and provide significant funding and technical assistance to develop projects that restore conjunctive balance by facilitating new surface and groundwater storage and conveyance projects statewide.

IV. Statement of Commitment

ACWA and its member agencies have demonstrated a history of strong leadership in confronting and embracing needed changes to manage our groundwater resources in California. ACWA is committed to working with the state and with urban and agricultural water users, growers and landowners, environmental and disadvantaged community interests, and other stakeholders on an effective approach to promote and achieve sustainable groundwater management throughout California.



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 San Diego County Water Authority, General Counsel
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Last updated: January 28, 2014

CALAFCO Legislative Report

AB 1521 (Fox D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Introduced: 1/16/2014

Last Amended: 6/17/2014

Status: 6/25/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 25). Re-referred to Com. on APPR.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: Beginning with the 2004-05 fiscal year, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a vehicle license fee property tax compensation fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

AB 1527 (Perea D) Public water systems: Safe Drinking Water State Revolving Fund.

Introduced: 1/17/2014

Last Amended: 6/26/2014

Status: 6/30/2014-Withdrawn from committee. Re-referred to Com. on APPR.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: Current law, operative on July 1, 2014, and repealed as of January 1 of the next calendar year occurring after the State Water Resources Control Board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook, requires the board to establish a priority list of proposed projects to be considered for funding. This bill would require the board to give priority to funding the consolidation of public water systems based upon a service review developed by a local agency formation commission.

Position: Support

Subject: Disadvantaged Communities, Municipal Services, Service Reviews/Spheres

CALAFCO Comments: As amended, this bill requires the State Water Resources Control Board to consider LAFCo studies as part of their funding and alternative services considerations, and requires the Board to give priority funding to consolidations where appropriate based on those MSRs. The bill has undergone a number of substantial amendments, consequently eliminating the provision that LAFCos be added to the list of eligible entities for receiving grant funding from the Strategic Growth Council.

AB 1729 (Logue R) Local government: agricultural land: subvention payments.

Introduced: 2/14/2014

Last Amended: 3/20/2014

Status: 3/24/2014-Re-referred to Com. on APPR.

Summary: Would appropriate \$40,000,000 to the Controller from the General Fund for the 2014-15 fiscal year to make subvention payments to counties to reimburse counties for property tax revenues not received as a result of these contracts. The bill would make legislative findings and declarations related to the preservation of agricultural land.

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: As amended, the bill will appropriate \$40 million from the General Fund in fiscal year 2014/2015 for subvention payments to counties for Williamson Act contracts.

AB 1739 (Dickinson D) Groundwater management.

Introduced: 2/14/2014

Last Amended: 6/17/2014

Status: 6/25/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 1.) (June 24).
Re-referred to Com. on APPR.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: Would require all groundwater basins designated as high-or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, with specified exceptions. This bill would require a groundwater sustainability agency to certify that its plan complies with the requirements of this bill no later than January 31, 2020, and every 5 years thereafter.

Position: Watch

Subject: LAFCo Administration, Water

CALAFCO Comments: As currently written, this bill requires LAFCos to expedite all applications for the formation or reorganization of groundwater management agencies, requiring the process be completed within 6 months of the application filing. Further the bill requires LAFCos, in the case of a County directive for annexation of territory into a groundwater management agency, to complete the annexation by January 1, 2017. CALAFCO has a number of concerns with the bill all of which are outlined in the letter of concern submitted June 24, 2014.

SB 69 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Introduced: 1/10/2013

Last Amended: 6/16/2014

Status: 6/26/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (June 25).
Re-referred to Com. on APPR.

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position: Support

Subject: Tax Allocation

CALAFCO Comments: In its current form, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012.

SB 614 (Wolk D) Local government: jurisdictional changes: infrastructure financing.

Introduced: 2/22/2013

Last Amended: 6/16/2014

Status: 6/30/2014-Read second time. Ordered to third reading.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization by submitting a resolution of application to a local agency formation commission to also submit a plan for providing services within the affected territory, as specified. This bill would instead require, if a proposal for a change of organization or reorganization is submitted to a local commission, that the applicant submit a plan for providing services within the affected territory.

Position: Watch

Subject: Annexation Proceedings, CKH General Procedures, Disadvantaged Communities

CALAFCO Comments: As amended, the bill is intended to provide an incentive to cities to annex disadvantaged unincorporated communities by creating an option for a funding mechanism using a property tax sharing agreement by affected entities (to share the 1% tax dollars) and ensuing tax

increment. A special district would be created to act as the vehicle for that funding. The bill allows LAFCo to consider, as part of the application, the formation of a new district or the reorganization of an existing district, but only if all of the affected agencies are in agreement. CALAFCO has a number of concerns with the bill including the long-term financial sustainability of the district, as well as the application requirements and process.

SB 1168 (Pavley D) Groundwater management.

Introduced: 2/20/2014

Last Amended: 6/17/2014

Status: 6/24/2014-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 4.) (June 24). Re-referred to Com. on APPR.

Summary: Current law requires the Department of Water Resources to identify the extent of monitoring of groundwater elevations that is being undertaken within each basin or subbasin and prioritize groundwater basins and subbasins. This bill would require the department, pursuant to these provisions, to categorize each basin and subbasin as either high priority, medium priority, low priority, or very low priority. The bill would require the Department of Fish and Wildlife, in collaboration with the department, to identify those basins and subbasins where species and ecosystems are vulnerable to existing or future groundwater conditions.

Position: Watch

Subject: Water

CALAFCO Comments: As amended, the bill calls for the formation of new groundwater management agencies by existing local agencies through either a JPA, MOA, or some other legal agreement. This process completely bypasses the LAFCo process. Further, the bill requires the Department of Water Resources to establish procedures for local and groundwater management agencies to establish and modify basin and subbasin boundaries. There are a large number of other requirements of the bill, and CALAFCO has concerns relating to the two provisions above as well as a number of other concerns as detailed in the letter dated June 26, 2014.

AB 543 (Campos D) California Environmental Quality Act: translation.

Introduced: 2/20/2013

Last Amended: 6/24/2014

Status: 6/24/2014-Read second time and amended. Re-referred to Com. on APPR.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: CEQA requires the Office of Planning and Research to prepare and develop guidelines for the implementation of CEQA and the Secretary of the Natural Resources Agency to certify and adopt those guidelines. This bill would require the office, on or before July 1, 2016, to prepare and develop recommended amendments to the guidelines and the secretary, on or before January 1, 2017, to certify and adopt those amendments to the guidelines to establish criteria for a lead agency to assess the need for translating those notices into non-English languages, as specified.

Position: Watch

Subject: CEQA

CALAFCO Comments: As amended, requires OPR to establish criteria for a lead agency to assess the need for translating those notices into non-English languages, as specified by July 1, 2016.

AB 1897 (Hernández, Roger D) Labor contracting: client liability.

Introduced: 2/19/2014

Last Amended: 7/1/2014

Status: 7/1/2014-Read second time and amended. Re-referred to Com. on APPR.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: Would require a client employer to share with a labor contractor all civil legal responsibility and civil liability for the payment of wages, the obligation to provide a safe work environment, as specified, and the failure to obtain valid workers' compensation coverage. The bill would define a client employer as a business entity that obtains or is provided workers to perform labor or services within the usual course of business from a labor contractor, except as specified.

Position: Watch
Subject: LAFCo Administration

AB 1995 (Levine D) Community service districts: covenants, conditions, and restrictions: enforcement.

Introduced: 2/20/2014

Last Amended: 6/30/2014

Status: 6/30/2014-Read second time and amended. Ordered to third reading.

Summary: Would authorize the Bel Marin Keys Community Services District to enforce all or part of the covenants, conditions, and restrictions for a tract within that district, and to assume the duties of an architectural control committee for that tract, as provided. This bill contains other related provisions.

Position: Watch

Subject: LAFCo Administration, Special District Powers

AB 2453 (Achadjian R) Paso Robles Basin Water District.

Introduced: 2/21/2014

Last Amended: 7/2/2014

Status: 7/3/2014-Re-referred to Com. on APPR. pursuant to Joint Rule 10.5.

Calendar: 8/4/2014 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, DE LEÓN, Chair

Summary: Would provide for the formation of the Paso Robles Basin Water District, and would set forth the composition of, and method of election by landowners and registered voters for, the board of directors for the Paso Robles Basin Water District, the boundaries of which would be established and may be modified by the San Luis Obispo County Local Agency Formation Commission. The bill would require the district to be formed in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, except as specified.

Position: Watch

Subject: Water

AB 2455 (Williams D) The Santa Rita Hills Community Services District.

Introduced: 2/21/2014

Last Amended: 6/17/2014

Status: 6/17/2014-Read second time and amended. Ordered to third reading.

Summary: Would authorize, until January 1, 2035, the board of directors of the Santa Rita Hills Community Services District to consist of 3 members, if the board of directors receives a petition signed by a majority of voters requesting a reduction in the number of board members and thereafter adopts a resolution that orders the reduction, as specified. The bill would also, until January 1, 2025, authorize the board, if the number of members is reduced to 3, to adopt a resolution to increase the number of members from 3 to 5, as specified. This bill contains other related provisions.

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: This bill as amended reduces the size of the governing Board of this district from five to three members.

INACTIVE 2-YEAR BILLS

AB 453 (Mullin D) Sustainable communities.

Introduced: 2/19/2013

Last Amended: 7/3/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/12/2013)

Summary: The Strategic Growth Council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Position: Watch

Subject: Sustainable Community Plans

CALAFCO Comments: This would allow LAFCoS to apply directly for grants that support the preparation of sustainable community strategies and other planning efforts. CALAFCO has removed its support of the bill given the nature of the amendment and the potential impact to LAFCoS.

AB 678 (Gordon D) Health care districts: community health needs assessment.

Introduced: 2/21/2013

Last Amended: 4/15/2013

Status: 8/30/2013-In committee: Held under submission.

Summary: Would require that the health care district conduct an assessment, every 5 years, of the community's health needs and provide opportunities for public input. Commencing January 1, 2019, the bill would require the annual reports to address the progress made in meeting the community's health needs in the context of the assessment. This bill contains other related provisions and other existing laws.

Position: Support

Subject: LAFCo Administration, Service Reviews/Spheres

CALAFCO Comments: This bill requires Health Care Districts that do not operate their own hospital facilities to create every 5 years, an assessment of the community health needs with public input. The bill requires LAFCoS to include in a Municipal Service Review (MSR) the Health Care District's 5-year assessment.

SB 731 (Steinberg D) Environment: California Environmental Quality Act.

Introduced: 2/22/2013

Last Amended: 9/9/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was L. GOV. on 9/11/2013)

Summary: Would provide that aesthetic and parking impacts of a residential, mixed-use residential, or employment center project, as defined, on an infill site, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. The bill would require the Office of Planning and Research to prepare and submit to the Secretary of the Natural Resources Agency, and the secretary to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise and transportation impacts of projects within transit priority areas. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

ENROLLED BILLS

AB 2156 (Achadjian R) Local agency formation commissions: studies.

Introduced: 2/20/2014

Last Amended: 3/24/2014

Status: 6/4/2014-Chaptered by Secretary of State - Chapter 21, Statutes of 2014.

Summary: Would include joint powers agencies and joint powers authorities among the entities from which the local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting specified studies, and also would include joint powers agreements in the list of items the commission may request in conducting those studies. The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Position: Support

Subject: CKH General Procedures, LAFCo Administration, Municipal Services, Service Reviews/Spheres

CALAFCO Comments: As amended, the bill will specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct required studies.

AB 2762 (Committee on Local Government) Local government.

Introduced: 3/24/2014

Last Amended: 5/6/2014

Status: 7/9/2014-Chaptered by Secretary of State. Chapter 112, Statutes of 2014.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 does not apply to pending proceedings for a change or organization or reorganization for which the application was accepted for filing prior to January 1, 2001, as specified. The act authorizes these pending proceedings to be continued and completed under, and in accordance with, the law under which the proceedings were commenced. This bill would repeal those provisions relating to pending proceedings for a change or organization or reorganization for which an application was accepted for filing prior to January 1, 2001, and make other conforming changes.

Position: Sponsor

Subject: CKH General Procedures

SB 1230 (Committee on Governance and Finance) Validations.

Introduced: 2/20/2014

Status: 5/29/2014-Chaptered by Secretary of State - Chapter 19, Statutes of 2014.

Summary: This bill would enact the First Validating Act of 2014, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: Support

Subject: Other

DEAD BILLS

AB 642 (Rendon D) Publication: newspaper of general circulation: Internet Web site.

Introduced: 2/20/2013

Status: 1/24/2014-Failed Deadline pursuant to Rule 61(b)(2). (Last location was JUD. on 3/11/2013)

Summary: Current law requires that various types of notices are provided in a newspaper of general circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: Allows for posting of agendas and meeting material on newspaper websites.

AB 1961 (Eggman D) Land use: planning: sustainable farmland strategy.

Introduced: 2/19/2014

Last Amended: 4/22/2014

Status: 5/23/2014-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/23/2014)

Summary: Would require each county to develop, on or before January 2, 2018, a sustainable farmland strategy. The bill would require the sustainable farmland strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the loss of agriculturally zoned land to nonagricultural uses or zones, and a page on the county's Internet Web site with the relevant documentation for the goals, strategies, and related policies and ordinances, as specified.

Position: Watch

Subject: Ag/Open Space Protection, CKH General Procedures, LAFCo Administration

CALAFCO Comments: As amended, the bill requires counties with 4% or more of its land zoned as agricultural to create a sustainable farmland strategy (sfs) effective January 1, 2018, in consultation with cities and LAFCo, and to update the sfs as necessary. The bill also requires OPR to create best practices that support ag land retention and mitigation. The bill creates an unfunded mandate for counties.

SB 56 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Introduced: 1/7/2013

Last Amended: 6/11/2013

Status: 2/3/2014-Returned to Secretary of Senate pursuant to Joint Rule 56.

Summary: Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: This bill reinstates revenues through ERAF (backfilled by the state general Fund) for cities incorporating after 2005 and annexations of inhabited territories.

AB 677 (Fox D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Introduced: 2/21/2013

Last Amended: 1/6/2014

Status: 1/17/2014-Failed Deadline pursuant to Rule 61(b)(1). (Last location was L. GOV. on 1/7/2014)

Summary: Would modify specified reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill would also modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount for certain cities incorporating after a specified date, as provided. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

AB 1593 (Dahle R) Public cemetery districts: Auburn Public Cemetery District.

Introduced: 2/3/2014

Status: 5/9/2014-Failed Deadline pursuant to Rule 61(b)(6). (Last location was L. GOV. on 2/14/2014)

Summary: Would authorize the Auburn Public Cemetery District in Placer County to use their cemeteries for up to a total of 400 interments each, not to exceed 40 interments each per calendar year, to inter nonresidents and nonproperty taxpayers, if specified conditions are met. This bill contains other related provisions.

Position: Watch

Subject: Other

SB 1122 (Pavley D) Sustainable communities: Strategic Growth Council.

Introduced: 2/19/2014

Last Amended: 5/5/2014

Status: 5/23/2014-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. SUSPENSE FILE on 5/23/2014)

Summary: Current law authorizes moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments, including funding to reduce greenhouse gas emissions through strategic planning and development of sustainable infrastructure projects. This bill would additionally authorize the council to manage and award financial assistance for the purpose of supporting the implementation of sustainable communities strategies or alternative planning strategies, to be funded from moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature. The bill would require the council to adopt guidelines for the use of the funds by recipients.

Position: Watch

Subject: Sustainable Community Plans

AB 2480 (Yamada D) Local government finance: cities: annexations.

Introduced: 2/21/2014

Last Amended: 3/28/2014

Status: 4/23/2014-In committee: Set, first hearing. Hearing canceled at the request of author.

Summary: Would, beginning on January 10, 2015, and on the 10th of each month thereafter, require the Controller to pay to each city that incorporated before August 5, 2004, an amount equal to an amount determined by a specified formula. This bill would continuously appropriate to the Controller an amount sufficient to make those payments from the General Fund.

Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: The intent of this bill is the same as AB 1521, which is moving forward, so the author has let this bill die.

DELTA VECTOR CONTROL DISTRICT

BACKGROUND

The Delta Mosquito District was formed in 1922. It consisted of sixteen square miles, all of the City of Visalia, plus some adjacent suburban areas. The Visalia Women's Club played a key role in the formation of this District. The Women's Club was motivated by the fact that malaria was a common disease and pest mosquitos were a carrier.

Mosquito Abatement Districts are established in accordance with provisions of California Health and Safety Code §2000.

REASON FOR INVESTIGATION

California Penal Code §925 mandates the Grand Jury investigate and report on special districts. The Grand Jury had an interest as to the vector process and to the mosquito abatement process in Tulare County. The issue of mosquito abatement has been the topic of several alarming articles in the paper and revealed some of the impacts the mosquito has to the residents of Tulare County.

PROCEDURES FOLLOWED:

1. Viewed Presentation from Delta Vector Control District
2. Reviewed relevant documentation from Delta Vector Control District

FACTS

1. A vector is defined as any animal including, but not limited to, mosquitoes, flies, mites, ticks, other arthropods and rodents and other vertebrates that are capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury.
2. There are four Mosquito Abatement Districts within Tulare County, two of which serve portions of Kings and Kern Counties.
3. Currently 712 Sq. miles of northern Tulare County are covered by Delta Vector Control District encompassing more than sixteen communities, both incorporated and unincorporated.
4. Directors for each district are appointed by the Board of Supervisors and by City Councils.
5. Delta Vector Control District has a seven member board; one seat has been vacant since April of 2003.
6. Delta Vector Control District conducts surveillance programs and other appropriate studies of vectors and vector borne diseases (Health and Safety Code §2040(a).
7. Delta Vector Control District utilizes all necessary programs and takes actions to prevent and to abate or control vectors and vector borne diseases Health and Safety Code §2040(b) (c).
8. Delta Vector Control District's Board of Trustees does not have the authority to set tax rates or to collect taxes.

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9. Delta Vector Control District is funded by property taxes and property assessments. As of September 30, 2013, Delta Vector Control District had an annual budget of \$2,504,056 and \$496,041 from assessment (taxes) and a reserve in the general fund of \$3,123,131.
10. Delta Vector Control District has several Cooperative Agreements with California Department of Public Health, and Mosquito and Vector Control Association of California.
11. The Ag Commissioner's Office reviews maintenance and calibration records. These records are maintained for two years. Reviewed records include the following:
 - a. Each pesticide application showing the target vector
 - b. Specific location treated
 - c. The size of the source
 - d. The formulation and amount of pesticide used
 - e. The method and equipment used
 - f. The type of habitat treated
 - g. The date of application
 - h. The name of applicator
12. Each month Delta Vector Control District submits a pesticide use report on a California Department of Pesticide Regulation form to the Ag Commissioner's Office that captures the following:
 - a. Manufacturer and product name
 - b. Environmental Protection Agency regulation number from the label
 - c. The amount of each pesticide used
 - d. The number of applications of each pesticide
 - e. The total number of applications, per county, per month
13. Delta Vector Control District reports to the Ag Commissioner's Office and the California Department of Health Services conspicuous or suspected adverse effects upon humans, domestic animals, and other non-target organisms or property from pesticide applications.
14. Delta Vector Control District requires appropriate certification of its employees by the Department of Health Services in order to verify their competence in using pesticides to control pest vector organisms.
15. Vector Control Certification is required by Laws and Regulations for:
 - a. Mosquito and associated diseases.
 - b. Terrestrial Invertebrates such as flies, fleas, roaches and associated diseases.
 - c. Terrestrial Vertebrate such as rats, mice, skunk, squirrels and associated diseases.
16. Delta Vector Control District requires and maintains continuing education for its employees.
17. Delta Vector Control District is inspected by the Ag Commissioner's Office to ensure activities are in compliance with state regulations relating to pesticide use.
18. Delta Vector Control District complies with the specified requirements of any general permit issued to the Department of Health Services as a lead agency, pertaining to physical environmental modification to achieve pest and vector prevention.
19. Delta Vector Control District has a California Mosquito-borne Virus Surveillance/Response Plan.

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20. Delta Vector Control District has a California Department of Public Health Operational Plan for Emergency Response to Mosquito – borne disease outbreaks.
21. Delta Vector Control District cooperates with the Environmental Review and Permitting Programs such as the California Department of Fish & Wildlife Lake and Streambed Alteration Program.
22. Delta Vector Control District has a Memorandum of Understanding with the California Department of Fish and Wildlife Vegetation Management on waste treatment facilities.
23. Delta Vector Control District has a National Pollutant Discharge Elimination System Permit regulating treatment of water in the United States.
24. Delta Vector Control District has twenty-six staffed posts. Three are administrative positions, two are scientific positions and twenty-one are operational staff.
25. Delta Vector Control District has a web page, Twitter and Facebook accounts, a Global Positioning System, Geographical Information Systems Mapper and Access for modern communication.
26. Delta Vector Control District uses three Information Technology programs in abatement: Zone, House Mosquito Program and Source Reduction.
27. Delta Vector Control District uses five Information Technology virus surveillance programs: New Jersey Light, Gravid Traps, Under-House Carbon Dioxide-Baited...Bio One, Sentinel Chickens and Dead Bird.
28. Delta Vector Control District has a lab which conducts the following:
 - a. Bio-Safety Level Three (allows for testing of West Nile Virus and potentially other new and emerging disease viruses).
 - b. Reverse transcription polymerase chain reaction (virus mutation of mosquito and birds)
 - c. Collecting, identifying, testing, reporting and responding operationally
29. A Delta Vector Control District representative has professional association affiliations with the American Mosquito Control Agency, Society for Vector Ecology and Mosquito and Vector Control Association of California which include membership in the following:
 - a. South San Joaquin Valley Representative on Board of Directors
 - b. Chair of Finance Committee
 - c. Regulatory Affairs Committee
 - d. Vector & Vector borne Disease Committee (Standards)
 - e. Integrated Vector Management Committee (Best Management Practices)
 - f. Ad-Hoc In-House Testing
30. Delta Vector Control District records that as of September 2013, the West Nile Virus cases statewide were as follows:
 - a. Human cases 176 statewide, six fatal statewide
 1. Fresno region – 3 cases
 2. Kern region – 10 cases
 3. Tulare region – 5 cases (City of Tulare – 4 cases, Earlimart - 1 case)
 4. Visalia region – 2 cases

- b. Horses – ten cases statewide
- c. Dead birds -1095 statewide
 - 1. Fresno region – 10
 - 2. Kern region - 2
 - 3. Kings region - 10
 - 4. Madera region - 7
 - 5. Tulare region - 5
 - 6. Visalia region - 4
- d. Mosquito samples - 2380 statewide
 - 1. Fresno region – 64
 - 2. Kern region - 179
 - 3. Kings region – 78
 - 4. Madera region – 15
 - 5. Tulare region – 90
 - 6. Visalia region – 72
- e. Sentinel Chickens - 404 statewide
 - 1. Kern region - 12
 - 2. Madera region - 2
 - 3. Tulare region - 4
 - 4. Visalia region - 1

FINDINGS/CONCLUSIONS:

- 1. Delta Vector Control District is fiscally sound and operationally efficient and is a model for the management of special districts.
- 2. Delta Vector Control District built and manages a vector lab in Visalia so test results are available immediately.
- 3. Delta Vector Control District conducts tests for local entities providing expedited results. Delta Vector Control District’s innovation and foresight has provided the Visalia and its surrounding areas with a proactive approach to vector control.
- 4. Delta Vector Control District treats a specified area; however, due to the nature of some of the applications, outside areas are inadvertently treated providing an extra measure of coverage.
- 5. Not all Tulare County communities have Vector Control.

RECOMMENDATIONS:

- 1. The Grand Jury recommends Delta Vector Control District continue their stellar performance in vector control.

RESPONSES REQUIRED:

- 1. None

TULARE COUNTY FLOOD CONTROL

BACKGROUND:

In 1969, District Act 8706 allowed counties to establish and maintain their own flood control districts. Tulare County Flood Control District was created to construct, maintain and operate facilities for control and disposition of flood and storm waters.

Scientists are aware of the impact climate change is having on California's water. Increases in temperature deepen the California water crisis by reducing the amount of precipitation the state receives, whether in the form of snow or rain. Furthermore, warming temperatures may increase the likelihood of severe storms and flooding.

The snowpack in California's mountains has long been a source of freshwater, but warming temperatures and the heavy runoff generated by that warmth place cities and homes at risk and threaten the cleanliness of California's water supply. The state's reservoirs and flood control facilities were built to handle the much slower runoff of melting snow. Runoff created by rain falling in the mountains will easily overwhelm the reservoirs.

REASON FOR INVESTIGATION:

The Grand Jury initiated an investigation per its mandate in California Penal Code §925.

PROCEDURES FOLLOWED:

1. Interviewed relevant witnesses
2. Reviewed relevant documents
3. Toured Terminus Dam
4. Toured three pending flood control projects

FACTS:

1. Tulare County Flood Control District provides for the control of flood and storm waters.
2. Tulare County Flood Control District provides for the protection of watercourses, watersheds, public highways, life and property from damage or destruction from flood waters.
3. Tulare County Flood Control District is authorized to issue the sale of bonds for future flood control projects.
4. Tulare County Flood Control District is authorized to levy and collect taxes and assessments on property within said district and in the respective zones.
5. Tulare County Flood Control District encompasses the entire county in addition to portions of Kings and Fresno Counties.
6. In 2001 work began to enlarge the Terminus Dam spillway channel. Between 2003 and 2004 six fuse gates were installed in the spillway channel, raising the maximum elevation of the reservoir by twenty-one feet.

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7. The Board of Supervisors appoints the Flood Control Commission of seven who determine which projects have the highest priority.
8. In 2012 the Flood Control Commission submitted fourteen proposed projects to the Board of Supervisors for approval.
9. Out of the fourteen projects, the Board of Supervisors approved the following three flood control projects for design and construction:
 - a. Yettem-Button Ditch – Estimated Cost of \$415,000 – Yettem-Button Ditch starts in the northern foothills and runs through Yettem. The objective of the project is to widen the ditch to alleviate flooding in residential areas in Yettem.
 - b. Cottonwood Creek – Estimated Cost of \$950,000 – Cottonwood Creek starts in the higher elevations of Fresno County and winds its way through Tulare County into Kings County. The objective of the project is to restore the natural flow of the creek and the avoidance of sensitive environmental areas. The hydrology and hydraulics report were updated to reflect the design changes.
 - c. Seville-Sontag Ditch – Estimated Cost of \$430,000 – Seville -Sontag Ditch starts in the foothills and runs into Seville. The objective is to connect it to Seville’s water system and alleviate flooding in the low lying areas of Seville.
10. The Tulare County Flood Control District underwent reorganization in 2013 and was renamed the Developmental Services Division. The reorganization integrated seven different agencies promoting more collaboration and timely cost efficient efforts.

FINDINGS:

1. Accomplishment of the objectives of the Yettem-Button Ditch, Cottonwood Creek Ditch and Seville-Sontag Ditch Projects is pending.

RECOMMENDATIONS:

1. None.

REQUIRED RESPONSES:

1. None

2014 Annual Conference Update

LAFCo: The Next 50 Years. Shaping Communities for Tomorrow With Innovative Ideas Today. The Program Committee has been busy planning and finalizing the program, which is shaping up to be quite diverse in topics and speakers. A detailed program will be made available once finalized. Registration information and a summary program are available on the CALAFCO website, as is the hotel reservation information. Registration is open and available.



Sponsorship opportunities are available and sponsorship packets are also located on the CALAFCO website. CALAFCO is working with the Ontario CVB for incentives for attendees such as discounted Disneyland tickets, and details will be provided to the membership when they become available. For now, mark your calendars and register for the annual conference in Ontario on **October 15 – 1, 2014**.

2014 CALAFCO Board Nominations and Elections

The nomination period is open through September 15 for nominations for the CALAFCO Board of Directors. Packets were distributed to the membership and are available on the CALAFCO website. Absentee ballot requests and voting delegate names are also due September 15, 2014.



2014 CALAFCO Achievement Awards

Nominations are being accepted for the 2014 achievement awards. Packets were distributed to the membership and are available on the CALAFCO website. Deadline to submit nominations is August 22, 2014.



2014 Staff Workshop Final Report

The CALAFCO annual Staff Workshop was held April 23 - 25 in Berkeley at the DoubleTree Berkeley Marina. The theme was ***Building Bridges to the Future: Collaboration and Cooperation***. Final workshop reports, which were presented to the Board on July 11, indicate the workshop was a success both programmatically and financially. Overall the program was rated 5.3 out of 6.0. The workshop netted an 11.8% profit.



2015 Staff Workshop Announced

The 2015 Staff Workshop will be held in Grass Valley and hosted by Nevada LAFCo. The dates are April 15-17, 2015.



CALAFCO U Update

The next CALAFCO U is set in Sacramento on August 11 and is ***LAFCos Role in Ag Resources, Mitigation & Preservation***. The session is open to all LAFCo staff, commissioners, associate members, and anyone whose agency deals with Ag preservation and LAFCos. Registration is available through the CALAFCO website.

There is one remaining CALAFCO U session in 2014 which will also be held in Sacramento. Mark your calendars for December 8 for ***Legal Interpretations of C-K-H***.

CALAFCO Board Actions

During their regular meeting on July 11, the Board addressed several administrative issues including:

- ◆ Accepted the 4th quarter financial reports and FY 2013-2014 final close-out budget (which showed a net savings of \$14,083 for the year, and a carry-over into FY 14-15 of \$40,234);
- ◆ Approved the annual contract for CPA Services with Alta Mesa Group;
- ◆ Heard reports from the Achievement Awards Committee, Nomination Committee, and Conference Committee;
- ◆ Received staff's recommendation to reduce the number of standard CALAFCO U sessions offered annually to two (which will be supplemented on an as-needed basis) and directed staff to amend the Policy and Strategic Plan accordingly;
- ◆ Received a comprehensive legislative update, including hearing from several guest speakers on groundwater management (see notes below under AB 1739 and SB 1168);
- ◆ Approved the use of a small amount of contingency funds for one-time equipment purchases, an intern to scan CALAFCO records, and for legal assistance; and
- ◆ Amended a number of existing CALAFCO Policies including:
 - Conference and workshop guest registrations costs and credit carry-overs (the latter not being effective until 1-1-15);
 - CALAFCO U Policy (as previously noted herein);
 - Policy on reserve fund balance;
 - Legislative Committee membership.

A full report detailing all of the policy changes will be provided to the membership in early August.

Legislative Update

The Legislative Committee met in May and has another meeting scheduled July 25th. A great deal of time has been spent on addressing the sustainable groundwater management legislation, and several unexpected gut and amend bills. The legislature is currently in summer recess set to return August 4. Bills were being pushed through policy committees prior to recess to meet deadlines. Some of the hot bills CALAFCO has been tracking and working extensively on are noted below (a full report is available on the CALAFCO website and is updated daily):

- **AB 1527 (Perea) CALAFCO Support**. Was amended to remove all of CALAFCO's concerns, and during its last committee hearing was gut and amended to address several of the committee's concerns.

- **AB 2762, CALAFCO Sponsor.** CALAFCO's annual Omnibus bill, was signed by the Governor on July 9.
- **SB 614 (Wolk) Watch With Concerns.** Another gut/amend undertaken by the League to amend CKH and the Rev & Tax code relating to the annexation of Disadvantaged Unincorporated Communities (DUCs). CALAFCO worked closely with the Senator's staff for a month on making amendments that will eliminate much of CALAFCO's concerns. As recently as June 10 the final set of amendments were agreed upon and are in Leg Counsel for formal write-up. The bill will likely be amended on the Assembly floor in August.
- **AB 1739 (Dickinson) and SB 1168 (Pavley) CALAFCO Watch With Concerns.** These are the two pieces of groundwater management legislation. Additionally the Governor has published his own legislative proposal on the matter. CALAFCO has attended a number of stakeholder meetings and several large legislative hearings on these bills. CALAFCO expressed concerns on both bills through formal letters and during hearings. Although the legislature is in recess during July, stakeholder meetings continue on this subject with the end goal of the two authors and governor to get one bill that will address the intent of all three current proposals and meet the needs of stakeholders. During the 11 July Board meeting, the Board heard from Mr. Les Spahnn, Legislative Director for Assemblymember Dickinson; Mr. Ryan Bezerra, attorney for a number of water agencies and one of the attorneys who wrote the current version of AB 1739; and Mr. Matt Hurley, ACWA Board member and a member of the ACWA groundwater management task force. CALAFCO will continue to keep the Board and Legislative Committee involved in this important policy discussion. A session on groundwater management is scheduled for the annual conference in Ontario.

Other bills of note being tracked by CALAFCO include:

- **AB 1521 (Fox) CALAFCO Support**
- **AB 1729 (Logue) CALAFCO Support**
- **AB 2156 (Achadjian) Signed by Governor**
- **SB 69 (Roth) CALAFCO Support**