



# TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

COMMISSIONERS:  
Rudy Mendoza, Chair  
Pete Vander Poel, V-Chair  
Julie Allen  
Vacant  
Dennis Townsend

**LAFCO MEETING AGENDA**  
March 6, 2019 @ 2:00 P.M.  
BOARD OF SUPERVISORS CHAMBERS  
COUNTY ADMINISTRATIVE BUILDING  
2800 West Burrel Avenue  
Visalia CA 93291

ALTERNATES  
Eddie Valero  
Carlton Jones  
Manny Gomes

EXECUTIVE OFFICER  
Ben Giuliani

- I. **Call to Order**
- II. **Approval of Minutes from February 6, 2019** **(Pages 01-02)**
- 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 LAFCO 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. **New Action Items**

- 1. **Case 1540-W-24, City of Woodlake Annexation 19-001** **(Pages 03-16)**  
[Public Hearing] ..... Recommended Action: Approval

The City of Woodlake has submitted a request for annexation for 49 acres of land into the City of Woodlake and a subset of 17.8 acres of land into the Woodlake Fire Protection District located southwest of the corner of East Ropes Avenue and South Oaks Street and concurrent detachment of the same area from Tulare County CSA #1. The annexation is intended to serve the creation of a storm water retention basin. A Notice of Exemption has prepared in compliance with CEQA by the City of Woodlake for use in this proposal.

- 2. **Letter of Support for AB 213 (Reyes)** **(Pages 17-30)**  
[No Public Hearing] ..... Recommended Action: Approval

AB 213 (Reyes) would restore funding taken from cities for developed annexations due to the passage of SB 89 in 2011. In Tulare County the amount of lost funding totals \$507,797. Enclosed is a letter from the League of California Cities giving more background to this issue, the proposed support letter, the bill summary and text, and the list of financially impacted cities.

**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. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291**

**V. Executive Officer's Report**

1. Legislative Update (Pages 31-35)

Enclosed is the California Association of Local Agency Formation Commissions (CALAFCO) legislative report.

2. Upcoming Projects (No Page)

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

**VI. Correspondence**

1. State Water Resources Control Board letter to East Oroshi. (Pages 37)

**VII. Other Business**

1. Commissioner Report (No Page)

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

**VIII. Setting Time and Place of Next Meeting**

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

**IX. Adjournment**

**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. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291**

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**2800 W. Burrel Ave., Visalia, CA 93291 – Tulare County Administrative Building  
February 06, 2019 – Meeting Minutes**

**Members Present:** Mendoza, Vander Poel, Allen, Townsend  
**Members Absent:**  
**Alternates Present:** Gomes and Valero  
**Alternates Absent:** Jones  
**Staff Present:** Giuliani, Ingoldsby, Quintanilla, & Kane recording  
**Counsel Present:** Erickson

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- I. **Call to Order:** Vice-Chair Vander Poel called the meeting to order at 2:00 p.m.
- II. **Approval of the December 5, 2018 Meeting Minutes:**  
Upon motion by Commissioner Allen and seconded by Commissioner Townsend, the Commission unanimously approved the LAFCO minutes.
- III. **Public Comment Period:**  
Vice Chair Vander Poel opened/closed the Public Comment Period at 2:05 p.m. No public comments received.
- IV. **New Action Items:**
  1. **Alternate Public Member Selection**  
Staff Analyst Ingoldsby presented the Selection Committee recommendations to appoint Mr. Manny Gomes as the alternate public member, to serve until the term expires on May 4, 2020.  
Upon motion by Commissioner Vander Poel and seconded by Commissioner Townsend, the Commission unanimously appointed Mr. Manny Gomes to the Alternate Public Member.
  2. **Case 1539, Initiate Dissolution of the Tulare County Olive Pest Control District**  
Staff Analyst Ingoldsby presented the proposal to dissolve the Tulare County Olive Pest Control District based on Senate Bill 448.  
Chair Mendoza opened/closed the Public Hearing at 2:11 p.m. No comments received.  
Upon motion by Commissioner Vander Poel and seconded by Commissioner Allen, the Commission unanimously approved the dissolution of the Tulare County Olive Pest Control District.
1. **Executive Officer's Report**
  1. **2018 LAFCO Annual Report:**  
Staff Analyst Ingoldsby reviewed the summary report, which highlighted all actions taken by the Commission, and the special reports given to the Commission in 2018. Maps were also provided to show all City annexations within Tulare County. Tables were reviewed showing City area and urban district area increases from 1980 to 2018.

2. **Legislative Update:**  
EO Giuliani reviewed the CALAFCO Legislative Report.
3. **Upcoming Projects:**  
EO Giuliani stated that upcoming projects would include annexations to the City of Woodlake, to be presented March 2019; and City of Visalia, to be presented summer of 2019.
2. **Correspondence:**
  1. None
3. **Other Business:**
  1. **Commissioner Report:**  
Commissioner Vander Poel welcomed the new appointed Commissioners and Alternates.
  2. **Request from LAFCO for items to be set for future agendas:**  
None
4. **Setting Time and Place of Next Meeting:**  
The next Local Agency Formation Commission (LAFCO) meeting scheduled for **March 6, 2019 at 2:00 p.m.** in the Board of Supervisors Chambers in the County Administration Building
5. **Adjournment:** The Tulare County LAFCO meeting adjourned at 2:45 p.m.

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

*March 6, 2019*

**LAFCO Case Number 1540-W-24  
City of Woodlake Annexation No. 19-001**

- PROPOSAL:** City of Woodlake Reorganization (annexation to City of Woodlake and Woodlake Fire Protection District, detachment from CSA #1)
- PROPONENT:** The City of Woodlake by resolution of its City Council
- SIZE:** Approximately 49 acres to the City  
Approximately 17.8 to the Fire Protection District
- LOCATION:** Southwest of the corner of West Ropes Avenue and South Oaks Street. **(Figure 1)**
- NOTICE:** Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.
- SUMMARY:** The annexation is intended to serve the creation of a storm water retention basin used by the City of Woodlake.
- APNs:** 060-170-088, 060-170-016

**GENERAL ANALYSIS**

**1. Land Use:**

*A. Site Information*

	<b>Existing (County)</b>	<b>Proposed (City)</b>
<b>Zoning Designation</b>	AE-20	Light Manufacturing
<b>General Plan Designation</b>	Agriculture	Industrial
<b>Uses</b>	Olive and Orange Orchard	Orchards and Retention Pond

*B. Surrounding Land Uses and Zoning and General Plan Designations:*

	<b>Zoning Designation</b>	<b>General Plan Designation</b>	<b>Existing Use</b>
<b>North</b>	R-1-7	Residential	Orchards
<b>South</b>	AE-20	Agriculture	Lake/Closed County Dump
<b>East</b>	Light Industrial	Industrial	Industrial Buildings
<b>West</b>	Light Industrial	Industrial	Industrial Buildings

C. Topography, Natural Features and Drainage

The site is relatively flat and generally lower than the surrounding areas.

D. Conformity with General Plans and Spheres of Influence:

The site is within the Sphere of Influence and the Urban Development Boundary and is compatible with the City's General Plan.

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

The parcels are not under Williamson Act contract.

**3. Population:**

There are not more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC Section 56046, the annexation area is uninhabited.

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

**Agency providing service**

<i>Service</i>	<i>Now</i>	<i>After</i>	<i>Method of finance</i>
Police Protection	County of Tulare	City of Woodlake	Property Taxes / Development Fees
Fire Protection	County of Tulare / Woodlake Fire Protection District	Woodlake Fire Protection District	Property Taxes / Development Fees
Water Supply	Individual well	Individual well	Meter Charges
Sewage Disposal	N/A	N/A	None
Street Lighting	County of Tulare	City of Woodlake	Property Taxes
Street Maintenance	County of Tulare	City of Woodlake	Property Taxes
Planning/Zoning	County of Tulare	City of Woodlake	Property Taxes
Garbage Disposal	County of Tulare Solid Waste Dept.	Mid Valley Disposal	Collection Fees

The Woodlake Fire Protection District has provided a resolution of approval for the annexation area (**Figure 3**). The City can provide all other urban services and infrastructure for development of the site.

**5. Boundaries and Lines of Assessment:**

The boundaries of the proposal area are definite and certain and conform to the lines of assessment. A map sufficient for filing with the State Board of Equalization has not been received. The applicant is working with the county and LAFCO staff to develop a sufficient map and legal description. Receiving a sufficient map and legal description for the State Board of Equalization is recommended as a condition of approval.

**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	\$ 633,422
Improvements	\$ 207,558
Total	\$ 840,980

**7. Environmental Impacts:**

The City of Woodlake is the lead agency for this proposal and has prepared a Notice of Exemption. Under CEQA Section 15319 Class 19, the proposal is considered exempt from CEQA. A copy of the document is included in the application materials.

**8. Landowner Consent:**

Both parcels are owned by the City of Woodlake. Therefore, the protest proceedings may be waived in accordance with GC §56663.

**9. Regional Housing Needs Assessment (RHNA):**

Pursuant to GC §56668 (I), 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. Since the land is designated for industrial use, the annexation will not assist the City in achieving its fair share of regional housing needs.

**10. Discussion:**

Government Services

Adequate governmental services can be provided to the subject area. According to the City they are currently able to provide the annexation area urban services and infrastructure though as a stormwater retention basin, some services like domestic water or sewer services would not be required at this time.

One of the two parcels in the proposal area is already within the Woodlake Fire Protection District. As part of the reorganization, the area that is not currently within the Woodlake Fire Protection District would be annexed into the District boundaries. The Woodlake Fire Protection District has a provided a resolution that they will serve the area should it be annexed.

**RECOMMENDED ACTIONS:**

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

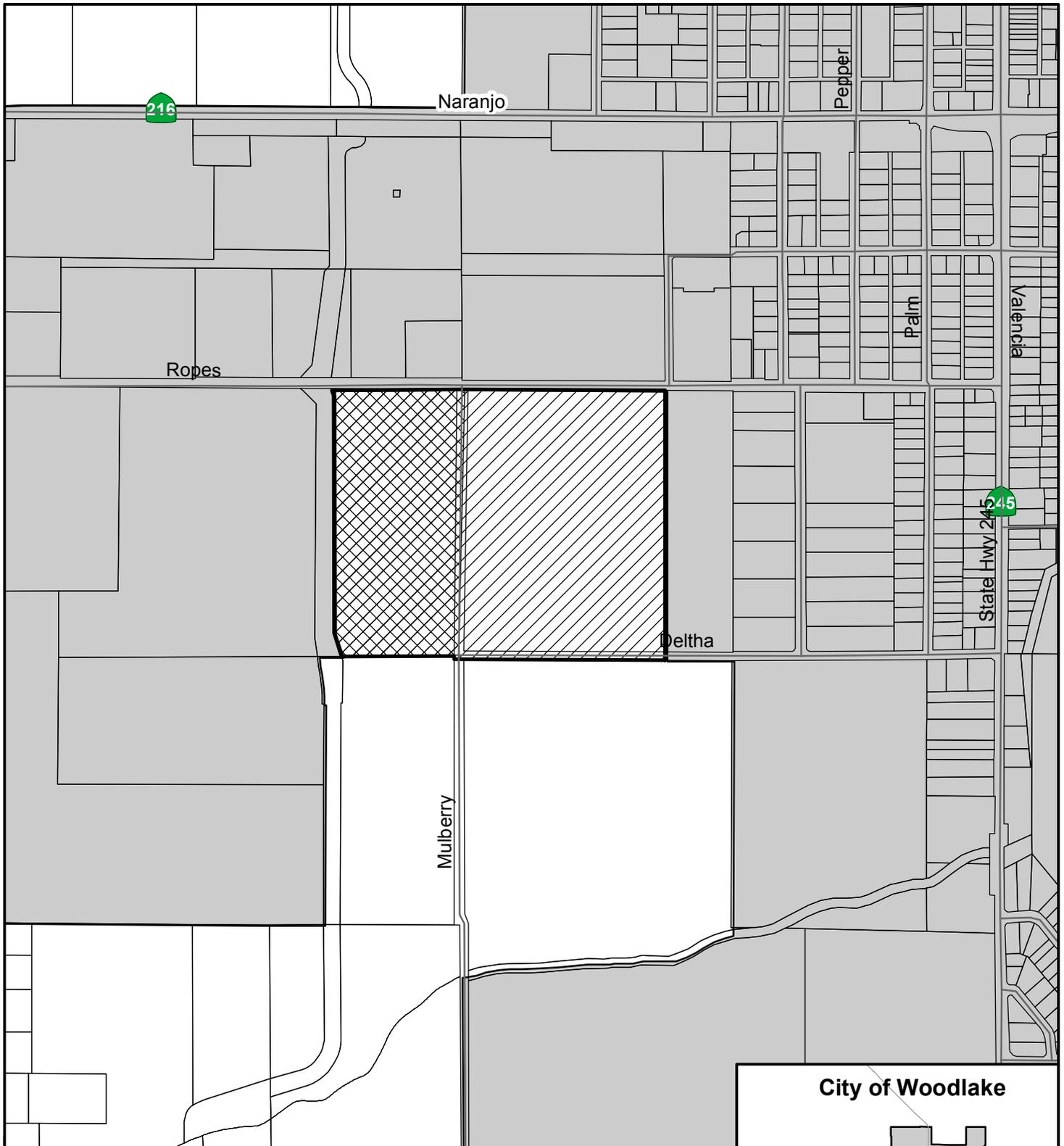
1. Certify that the Commission has reviewed and considered the Notice of Exemption prepared by the City of Woodlake for this project and find that the proposal is considered exempt from CEQA under Section 15319.
2. Find that the proposed reorganization of the City of Woodlake complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Pursuant to LAFCO Policy and Procedure Section C-1, find that:
  - a. The boundaries of the proposed reorganization are definite and certain and conform to lines of assessment.
  - 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.
4. Find that the territory proposed for this annexation to the City of Woodlake and the Woodlake Fire Protection District and detachment from CSA #1 is uninhabited.
5. Find that the annexation does not contain any Williamson Act contract land.

6. Approve the reorganization as proposed by the City of Woodlake to be known as LAFCO Case Number 1540-W-224, City of Woodlake Annexation 19-001 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 a map and legal description sufficient for filing with the Board of Equalization prior to the recordation 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 Board of Equalization.
7. Waive the protest hearing for this proposal in accordance with subsection (c) of Government Code §56663 and order the detachment without an election or if written protests are received prior to the conclusion of the public hearing, conduct the protest hearing pursuant to GC §57000.
8. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

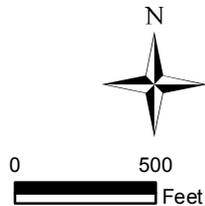
**Figures:**

- |          |  |
|----------|--|
| Figure 1 | Site Location Map                            |
| Figure 2 | Aerial Photo                                 |
| Figure 3 | Woodlake Fire Protection District Resolution |
| Figure 4 | Resolution                                   |

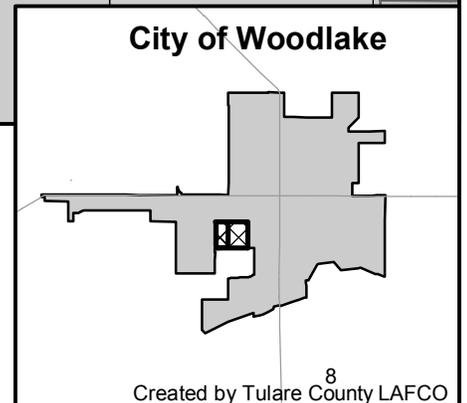
# LAFCO Case 1540-W-24



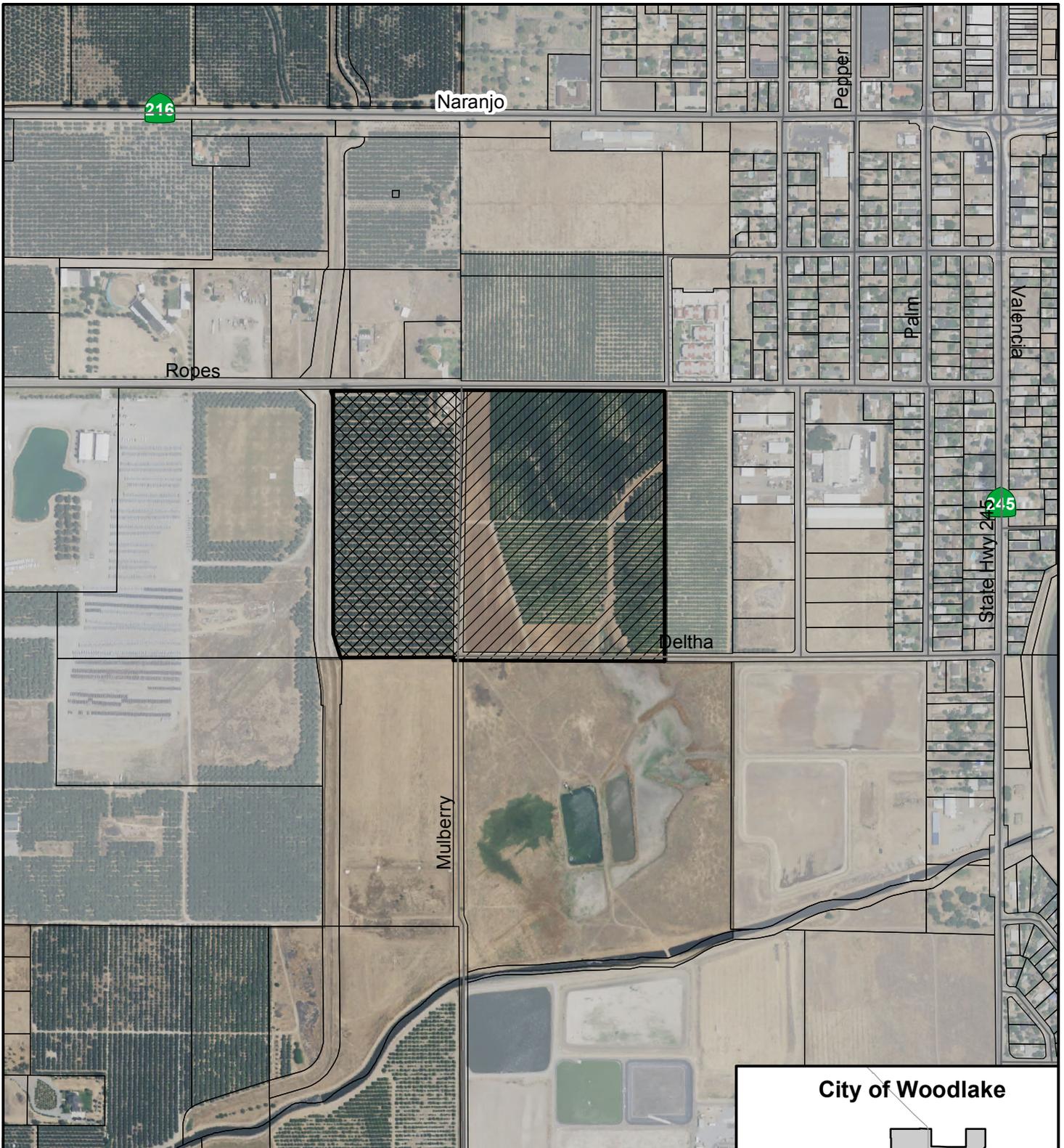
-  Project Location 1540-W-24
-  Fire Protection District Portion
-  Parcels
-  City of Woodlake



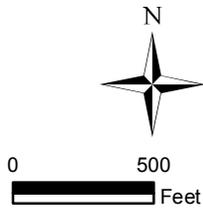
Boundaries as of 1/24/19



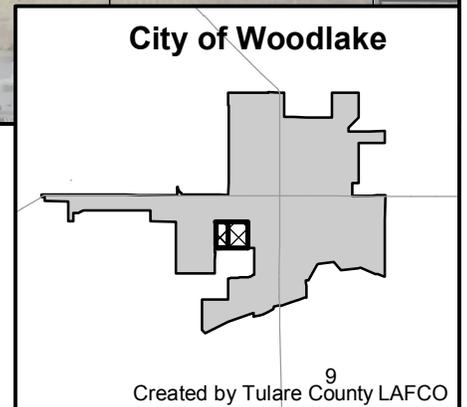
# LAFCO Case 1540-W-24



-  Project Location 1540-W-24
-  Fire Protection District Portion
-  Parcels
-  City of Woodlake



Boundaries as of 1/24/19



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BEFORE THE WOODLAKE  
FIRE PROTECTION DISTRICT

In the matter of:

APPROVING ANNEXATION OF APN )  
060-170-088 )

Resolution No. 19-01

Board member HEADRICK, offered the following resolution and moved its adoption. That the Woodlake Fire Protection District approve annexation of APNs 060-170-088.

WHEREAS, the City of Woodlake initiated proceedings pursuant to the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the West Woodlake Industrial Annexation, and

WHEREAS, the territory proposed to be is uninhabited, and a description of the external boundary of the territory is set forth in the request for annexation, and

WHEREAS, the properties are within the City's Sphere of influence, and

WHEREAS, the proposed annexation necessitates the inclusion into the Woodlake Fire Protection District, and

WHEREAS, an Initial Study-Mitigated Negative Declaration has been approved for the project; and

WHEREAS, the Woodlake Planning Commission and Woodlake City Council recommends approval of the zone change and annexation, and

NOW, THEREFORE, BE IT RESOLVED that the Woodlake Fire Protection District approves annexation of APN 060-170-088.

The foregoing resolution was adopted upon a motion of Board Member HEADRICK and seconded by Board Member FLORES and carried by the following vote at the meeting held on January 29, 2019.

AYES: 3  
NOES: 0  
ABSTAIN: 0  
ABSENT: 0

  
Shane Headrick, Chairman

ATTEST:

  
Anthony Perez, Fire Chief

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**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 Woodlake and the Woodlake Fire Protection )  
District and Detachment from CSA #1, ) **RESOLUTION NO. XX-XX**  
LAFCO Case No. 1540-W-24, Annexation 19-001 )

**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 from the City of Woodlake to annex certain territories described in attached Exhibit "A" made a part hereof; and

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

**WHEREAS**, on March 6, 2019 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 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. The City of Woodlake, as Lead Agency, filed a Notice of Exemption in compliance with the California Environmental Quality Act (CEQA). And finds that the Commission has reviewed and considered the Notice of Exemption by the City of Woodlake for this project and find the project to be exempt under Section 15319 Class 19.

3. The Commission has reviewed and considered, in accordance with GC §56668, the information, materials and facts presented by the following persons who appeared at the public hearing and commented on the proposal:

XXXXXXXXXX

XXXXXXXXXX

4. 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.

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

a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.

b. Fewer than 12 registered voters reside in the affected territory and 100% landowner consent was received.

c. The Woodlake Fire Protection District has provided a resolution approving the inclusion of the annexation area into the Woodlake Fire Protection District.

d. The proposed annexation area does not contain any Williamson Act contract land.

6. 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 proposed annexation is compatible with the City's General Plan.

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 represents a logical and reasonable expansion of the annexing city and district.

e. The proposal is consistent with the findings and declarations of GC §56001.

7. Waive the protest hearing for this proposal in accordance with GC §56663 and order the change of organization without an election.

8. Approve the annexation as proposed by the City of Woodlake, to be known as LAFCO Case Number 1540-W-24, City of Woodlake Annexation No 19-001, with 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 a map and legal description sufficient for filing with the Board of Equalization prior to the recordation 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 Board of Equalization.

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

LAFCO Case Number 1540-W-24, City of Woodlake Annexation No. 19-001.

10. Determines, in accordance with CEQA, as a Responsible Agency, that it has considered the Notice of Exemption prepared by the City of Woodlake and authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

The foregoing resolution was adopted upon motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, at a regular meeting held on this 6th day of March, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

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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:**

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Pete Vander Poel, V. Chair  
Julie Allen  
Vacant  
Dennis Townsend*

**ALTERNATES:**

*Eddie Valero  
Carlton Jones  
Manny Gomes*

**EXECUTIVE OFFICER:**

*Ben Giuliani*

March 6, 2019

TO: LAFCO Commissioners, Alternates

FROM: Ben Giuliani, Executive Officer

SUBJECT: Support Letter for AB 213 (Reyes)

## **Background**

Senate Bill 89 (Budget), passed in 2011, removed vehicle license fee (VLF) funding for city incorporations and annexations of developed land. SB 130 (Budget) was passed in 2017 restoring funding for city incorporations. The League of California Cities is sponsoring AB 213 (Reyes) which would restore funding for developed annexations.

## **Discussion**

Attached is a sponsorship/support letter from the League of California Cities which gives additional background of lost funding to cities due to SB 89 and the proposed restoration of that funding in AB 213. In addition to restoring lost funding, AB 213 would provide continued funding for future developed annexations.

The League estimates that \$4.3 million in funding was lost to cities due to SB 89 since its passage in 2011. The total amount lost for cities in Tulare is \$508 thousand. This represents 11.8% of the total state amount. Compared to Tulare County's population being 1.2% of the State's total population, cities in Tulare County have suffered a disproportionate loss of funding due to the amount of developed unincorporated County islands that cities have annexed over the last 15 years.

## **Recommendation**

Sign and issue the attached letter of support for AB 213 (Reyes).

**Attachments:**

League of California Cities sponsorship/support letter  
Tulare County LAFCO support letter (Template provided by CALAFCO)  
SB 213 summary and text  
List of financially impacted cities

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January 23, 2019

The Honorable Eloise Gómez Reyes  
Member, California State Assembly  
State Capitol Building, Room 2175  
Sacramento, CA 95814

Re: AB 213 (Reyes) – Annexation finance: restoration of lost revenue.  
**Notice of Sponsorship-Support**

Dear Assembly Member Reyes,

The League of California Cities wishes to express its support for Assembly Bill 213 (Reyes). This measure would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage of SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state Local Agency Formation Commission (LAFCO) policies.

The funding formula used in AB 213 is identical to the formula approved by the Legislature to restore funding to four recently incorporated cities that were also harmed by SB 89 in SB 130 of 2017. The state fiscal impact of SB 130 is estimated to be up to \$19 million annually; the fiscal costs of addressing the losses cities suffered on annexations in AB 213 would be comparatively less at approximately \$5 million.

The funding swept from cities in SB 89 was from a special allocation of city shares of vehicle license fee (VLF) revenue derived from allocations made by AB 1602 (Laird) of 2006. The Laird bill was enacted to address some unresolved issues with the 2004 VLF-property tax swap, which allowed all cities and counties in existence in 2004 to swap dollar-for-dollar the amounts owed by the state to them as VLF backfill, following the state's decision to reduce the amount of VLF paid by consumers. The problem with the 2004 swap was that it did not address the future annexations and incorporations.

In 2017, the Legislature resolved the financial harm caused by SB 89 to four recently incorporated cities via the passage of SB 130 (Budget). SB 130 contains a statutory formula (based on the 2004 VLF-property tax swap) that provides these cities with shares of property tax to offset the amount of vehicle license fee revenue they would have received. In future years, the amount will be adjusted according to the same rules applied to other cities. In short, these cities will be treated equally with all other cities under the swap. Although SB 130 did not resolve issues associated with future annexations, it provides the legislative template to also address this issue.

AB 213 would restore and stabilize funding for the affected annexing cities and their residents with policy benefits to both local services and compact growth.

Thank you for your continued leadership on this important matter and we look forward to working with you in support of this measure. Should you have any questions about the League's position, please contact me at (916) 658-8222.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Carrigg", enclosed in a thin black rectangular border.

Daniel Carrigg  
Deputy Executive Director, Legislative Director

cc: Members, Assembly Local Government Committee  
Jimmy MacDonald, Principal Consultant, Assembly Local Government  
Committee  
William Weber, Principal Consultant, Assembly Republican Caucus



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ALTERNATES:

Eddie Valero  
Carlton Jones  
Manny Gomes

EXECUTIVE OFFICER:

Ben Giuliani

March 6, 2019

The Honorable Eloise Gómez Reyes  
California State Assembly  
State Capitol Building, Room 2175  
Sacramento, CA 95814

Subject: Support of AB 213

Dear Assembly Member Reyes:

The Tulare County Local Agency Formation Commission (LAFCo) is pleased to support **Assembly Bill 213**. This bill would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state LAFCo policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCos to follow this legislative directive. The eight incorporated cities in Tulare County lost approximately \$507,797 in funding following the passage of SB 89. **AB 213** would help restore the revenue our cities relied upon when making the policy decisions to annex and serve new residents.

Reinstating revenues for annexations is consistent with statewide LAFCo legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 213** reinstates a critical funding component to cities who previously annexed inhabited territory and did so relying on this financing, and to those cities who annex inhabited territory in the future, Tulare County LAFCo supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Rudy Mendoza  
Chair  
Tulare County Local Agency Formation Commission

cc:

The Honorable, Devon Mathis, California State Assembly

The Honorable, Jim Patterson, California State Assembly

The Honorable, Andreas Borgeas, California State Senate

The Honorable, Shannon Grove, California State Senate

The Honorable, Melissa Hurtado, California State Senate

Pamela Miller, Executive Director, CALAFCO

Dan Carrigg, Deputy Executive Director and Legislative Director, League of California Cities



## AB 213 ([Reyes D](#)) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

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### Status

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2/4/2019 - Referred to Com. on L. GOV.

### Summary

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Existing 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 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, for the 2019–20 fiscal year, would instead require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17. This bill, for the 2020–21 fiscal year, and for each fiscal year thereafter, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year and the product of the amount as so described and the percentage change from the prior fiscal year in gross taxable assessed valuation within the jurisdiction of the entity.

This bill contains other related provisions and other existing laws.

(Based on text date 1/15/2019)

### Bill Text

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01/15/2019 Introduced [pdf](#) [htm](#)

### Analysis

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### Votes

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### History

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02/04/2019 Referred to Com. on L. GOV.

01/16/2019 From printer. May be heard in committee February 15.

01/15/2019 Read first time. To print.

2/25/2019 7:53:04 AM

## **Bill Text**

# **THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

### **SECTION 1.**

Section 97.70 of the Revenue and Taxation Code is amended to read:

Notwithstanding any other law, for the 2004/05 fiscal year and for each fiscal year thereafter, all of the following apply:

(a) (1) (A) The auditor shall reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a county's Educational Revenue Augmentation Fund by the countywide vehicle license fee adjustment amount.

(B) If, for the fiscal year, after complying with Section 97.68 there is not enough ad valorem property tax revenue that is otherwise required to be allocated to a county Educational Revenue Augmentation Fund for the auditor to complete the allocation reduction required by subparagraph (A), the auditor shall additionally reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in the county for that fiscal year by an amount equal to the difference between the countywide vehicle license fee adjustment amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund for that fiscal year. This reduction for each school district and community college district in the county shall be the percentage share of the total reduction that is equal to the proportion that the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the school district or community college district bears to the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in a county. For purposes of this subparagraph, school districts and community college districts do not include any districts that are excess tax school entities, as defined in Section 95.

(2) The countywide vehicle license fee adjustment amount shall be allocated to the Vehicle License Fee Property Tax Compensation Fund that shall be established in the treasury of each county.

(b) (1) The auditor shall allocate moneys in the Vehicle License Fee Property Tax Compensation Fund according to the following:

(A) Each city in the county shall receive its vehicle license fee adjustment amount.

(B) Each county and city and county shall receive its vehicle license fee adjustment amount.

(2) The auditor shall allocate one-half of the amount specified in paragraph (1) on or before January 31 of each fiscal year, and the other one-half on or before May 31 of each fiscal year.

(c) For purposes of this section, all of the following apply:

(1) Vehicle license fee adjustment amount for a particular city, county, or a city and county means, subject to an adjustment under paragraph (2) and Section 97.71, all of the following:

(A) For the 2004/05 fiscal year, an amount equal to the difference between the following two amounts:

(i) The estimated total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004/05 fiscal year if the fee otherwise due under the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2) was 2 percent of the market value of a vehicle, as specified in Sections 10752 and 10752.1 as those sections read on January 1, 2004.

(ii) The estimated total amount of revenue that is required to be distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004/05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this clause.

(B) (i) Subject to an adjustment under clause (ii), for the 2005/06 fiscal year, the sum of the following two amounts:

(I) The difference between the following two amounts:

(ia) The actual total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004/05 fiscal year if the fee otherwise due under the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2) was 2 percent of the market value of a vehicle, as specified in Sections 10752 and 10752.1 as those sections read on January 1, 2004.

(ib) The actual total amount of revenue that was distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004/05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this subsubclause.

(II) The product of the following two amounts:

(ia) The amount described in subclause (I).

(ib) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries.

For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(ii) The amount described in clause (i) shall be adjusted as follows:

(I) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is greater than the amount described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be increased by an amount equal to this difference.

(II) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is less than the amount described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be decreased by an amount equal to this difference.

(C) For the 2006/07 fiscal year and until the 2018/19 fiscal year, inclusive, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year, if Section 97.71 and clause (ii) of subparagraph (B) did not apply for that fiscal year, for that city, county, and city and county.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(D) For the 2019/20 fiscal year, the sum of the following three amounts:

(i) The vehicle license fee adjustment amount for the 2018/19 fiscal year.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the 2018/19 fiscal year to the 2019/20 fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years.

(iii) The product of the following two amounts:

(I) The amount that was allocated in July 2010 by the Controller to the city pursuant to subdivision (d) of Section 11005, as that section read on July 1, 2010.

(II) 1.17.

(E) For the 2020/21 fiscal year, and for each fiscal year thereafter, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year.

(ii) The product of the following two amounts:

(I) The vehicle license fee adjustment amount for the prior fiscal year.

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment role for those fiscal years.

(2) Notwithstanding paragraph (1), vehicle license fee adjustment amount, for a city incorporating after January 1, 2004, and on or before January 1, 2012, means the following:

(A) For the 2017/18 fiscal year, the quotient derived from the following fraction:

(i) The numerator is the product of the following two amounts:

(I) The sum of the most recent vehicle license fee adjustment amounts determined for all cities in the county.

(II) The population of the incorporating city.

(ii) The denominator is the sum of the populations of all cities in the county.

(B) For the 2018/19 fiscal year, and for each fiscal year thereafter, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years.

(3) For the 2013/14 fiscal year, the vehicle license fee adjustment amount that is determined under subparagraph (C) of paragraph (1) for the County of Orange shall be increased by fifty-three million dollars (\$53,000,000). For the 2014-15 fiscal year and each fiscal year thereafter, the calculation of the vehicle license fee adjustment amount for the County of Orange under subparagraphs (C), (D), and (E) of paragraph (1) shall be based on a prior fiscal year amount that reflects the full amount of this one-time increase of fifty-three million dollars (\$53,000,000).

(4) Countywide vehicle license fee adjustment amount means, for any fiscal year, the total sum of the amounts described in paragraphs (1), (2), and (3) for a county or city and county, and each city in the county.

(5) On or before June 30 of each fiscal year, the auditor shall report to the Controller the vehicle license fee adjustment amount for the county and each city in the county for that fiscal year.

(d) For the 2005/06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

(e) For purposes of Section 15 of Article XI of the California Constitution, the allocations from a Vehicle License Fee Property Tax Compensation Fund constitute successor taxes that are otherwise required to be allocated to counties and cities, and as successor taxes, the obligation to make those transfers as required by this section shall not be extinguished nor disregarded in any manner that adversely affects the security of, or the ability of, a county or city to pay the principal and interest on any debts or obligations that were funded or secured by that city's or county's allocated share of motor vehicle license fee revenues.

(f) This section shall not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation or increased tax increment allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is otherwise determined or allocated in a county.

(4) Reduce ad valorem property tax revenue allocations required under Article 4 (commencing with Section 98).

(g) Tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between local agencies and nonlocal agencies are deemed to be modified to account for the reduced vehicle license fee revenues resulting from the act that added this section. These agreements are modified in that these reduced revenues are, in kind and in lieu thereof, replaced with ad valorem property tax revenue from a Vehicle License Fee Property Tax Compensation Fund or an Educational Revenue Augmentation Fund.

## **SEC. 2.**

If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

American Canyon	\$1,448	Greenfield	\$634
Anderson	\$2,941	Gridley	\$4,480
Atwater	\$272	Hanford	\$6,109
Bakersfield	\$40,725	Hayward	\$13,439
Barstow	\$10,453	Healdsburg	\$1,539
Beaumont	\$12,987	Hemet	\$2,806
Biggs	\$543	Hesperia	\$12,127
Brentwood	\$272	Hollister	\$453
Camarillo	\$6,154	Hughson	\$407
Campbell	\$37,558	Huntington Beach	\$2,670
Carpinteria	\$91	Imperial	\$453
Cathedral City	\$226	Indio	\$27,557
Ceres	\$634	Kerman	\$2,398
Chico	\$471,461	La Habra	\$14,571
Chino	\$1,765	La Mesa	\$91
Chowchilla	\$3,394	La Quinta	\$6,742
Clovis	\$22,173	Lake Elsinore	\$3,801
Coachella	\$1,086	Lakeport	\$3,575
Colton	\$9,231	Lathrop	\$4,706
Concord	\$136	Lincoln	\$1,131
Corcoran	\$79,867	Lindsay	\$3,665
Corning	\$1,584	Livermore	\$136
Cupertino	\$2,308	Livingston	\$181
Daly City	\$136	Lodi	\$5,204
Delano	\$3,258	Los Altos Hills	\$8,371
Diamond bar	\$6,833	Los Gatos	\$3,032
Dinuba	\$22,354	Madera	\$17,783
Dixon	\$136	Manteca	\$19,910
El Cajon	\$272	Merced	\$15,114
El Centro	\$8,688	Mill Valley	\$272
El Paso de Robles	\$2,353	Milpitas	\$453
Encinitas	\$226	Modesto	\$10,905
Escondido	\$4,480	Montclair	\$33,847
Etna	\$91	Morgan Hill	\$11,448
Farmersville	\$362	Mount Shasta	\$91
Fontana	\$759,071	Mountain View	\$91
Fowler	\$272	Napa	\$6,380
Fresno	\$32,671	National City	\$1,674
Fullerton	\$14,073	Nevada City	\$45
Gilroy	\$1,041	Newport Beach	\$63,938
Gonzales	\$181	Novato	\$91
Grass valley	\$8,824	Oakdale	\$7,059

Oakley	\$7,104	Stockton	\$2,941
Orland	\$7,647	Suisun City	\$1,403
Oroville	\$38,191	Susanville	\$45
Paradise	\$91	Sutter Creek	\$181
Parlier	\$181	Tehachapi	\$317
Patterson	\$6,199	Temecula	\$428,745
Placerville	\$91	Thousand Oaks	\$4,254
Pleasanton	\$136	Tulare	\$97,243
Porterville	\$237,744	Turlock	\$12,761
Rancho Cucamonga	\$136	Upland	\$2,534
Red Bluff	\$362	Vacaville	\$3,665
Redlands	\$362	Visalia	\$146,248
Reedley	\$67,513	Vista	\$543
Rio Dell	\$136	Waterford	\$2,534
Ripon	\$2,534	Watsonville	\$181
Riverbank	\$1,810	Windsor	\$272
Riverside	\$71,948	Woodlake	\$181
Roseville	\$181	Yuba City	\$22,082
Salinas	\$317		
San Bernardino	\$112,944	<b><u>Total: \$4,316,109</u></b>	
San Buenaventura	\$226		
San Carlos	\$91		
San Clemente	\$3,349		
San Jacinto	\$407		
San Jose	\$339,648		
San Luis Obispo	\$3,711		
San Marcos	\$1,765		
San Ramon	\$334,806		
Sanger	\$1,312		
Santa Barbara	\$226		
Santa Clarita	\$390,916		
Santa Maria	\$32,173		
Santa Paula	\$1,855		
Santa Rosa	\$14,887		
Saratoga	\$8,371		
Sebastopol	\$407		
Selma	\$5,566		
Shafter	\$1,720		
Simi Valley	\$181		
Soledad	\$181		
Sonoma	\$453		
Sonora	\$91		

## CALAFCO Daily Legislative Report as of Wednesday, February 27, 2019

### **AB 1253 (Rivas, Robert D) Local agency formation commissions: grant program.**

**Current Text:** Introduced: 2/21/2019 [html](#) [pdf](#)

**Introduced:** 2/21/2019

**Status:** 2/22/2019-From printer. May be heard in committee March 24.

**Summary:**

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

**Position:** Sponsor

**Subject:** Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

**CALAFCO Comments:** This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCos whose decisions have been aligned with the goals of sustainable communities strategies.

The fiscal request is \$1.5 million over 5 years. CALAFCO is attempting to get this in the May revise budget so there is no General Fund appropriation (the reason Gov. Brown vetoed the bill).

### **SB 414 (Caballero D) Small System Water Authority Act of 2019.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

**Summary:**

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies,

private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

**SB 646 (Morrell R) Local agency utility services: extension of utility services.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

**Summary:**

Would prohibit a city or district providing the extended service from denying the extension of a utility service to a property owner located within the extended service area based upon a property owner's election not to participate in an annexation or preannexation proceeding.

**Position:** Watch

**Subject:** CKH General Procedures

**AB 213 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 1/15/2019 [html](#) [pdf](#)

**Introduced:** 1/15/2019

**Status:** 2/4/2019-Referred to Com. on L. GOV.

**Summary:**

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

**Position:** Watch

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

**AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

**Summary:**

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was

incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

**Position:** Watch

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

**AB 1304 (Waldron R) Water supply contract: Native American tribes.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-Read first time. **Summary:**

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, that supplies potable water to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands.

**Position:** Watch

**Subject:** Municipal Services, Water

**SB 99 (Nielsen R) Agricultural land.**

**Current Text:** Introduced: 1/10/2019 [html](#) [pdf](#)

**Introduced:** 1/10/2019

**Status:** 1/24/2019-Referred to Com. on RLS.

**Summary:**

The California Land Conservation Act of 1965, also known as the Williamson Act, authorizes a city or county to contract with a landowner to limit the use of agricultural land located in an agricultural preserve designated by the city or county. Current law requires the Department of Conservation to submit a report to the Legislature on or before May 1 of every other year regarding the implementation of the Williamson Act. This bill would make nonsubstantive changes to that provision.

**Position:** Watch

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** This is a spot bill.

**SB 379 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

**Summary:**

This bill would enact the First Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**SB 380 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

**Summary:**

This bill would enact the Second Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**SB 381 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be acted upon on or after March 23.

**Summary:**

This bill would enact the Third Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts.

**AB 530 (Aguilar-Curry D) The Fairfield-Suisun Sewer District.**

**Current Text:** Introduced: 2/13/2019 [html](#) [pdf](#)

**Introduced:** 2/13/2019

**Status:** 2/21/2019-Referred to Com. on L. GOV.

**Summary:**

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

**Position:** Watch

**Subject:** Special District Powers, Special Districts Governance

**CALAFCO Comments:** This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).

**AB 648 (Nazarian D) Healthcare.**

**Current Text:** Introduced: 2/15/2019 [html](#) [pdf](#)

**Introduced:** 2/15/2019

**Status:** 2/19/2019-From printer. May be heard in committee March 21.

**Summary:**

Current law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Current law also provides for the regulation of health insurers by the Department of Insurance. This bill would express the Legislature's intent to enact legislation to improve access to healthcare services for the residents of this state.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill.

**AB 798 (Cervantes D) Mosquito abatement: vector control districts.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

**Summary:**

The Mosquito Abatement and Vector Control District Law specifies the procedures for district formation, procedures for the selection of the district board of trustees and officers, and the powers and duties of the board. Under existing law, the term of office for a member of the board of trustees is a term of 2 or 4 years, at the discretion of the appointing authority. Existing law specifies the procedure to fill a vacancy in the office of a member appointed to a board of trustees and requires that the person appointed to fill the vacancy fill the balance of the unexpired term. This bill would make technical, nonsubstantive changes to those provisions governing the term of office.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill pertaining to vector control districts.

**AB 881 (Bloom D) Accessory dwelling units.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

**Summary:** The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Current law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

**Position:** Watch

**Subject:** Housing

**AB 1053 (Dahle R) Fallen Leaf Lake Community Service District.**

**Current Text:** Introduced: 2/21/2019 [html](#) [pdf](#)

**Introduced:** 2/21/2019

**Status:** 2/22/2019-From printer. May be heard in committee March 24.

**Summary:** The Community Services District Law generally provides for the formation of community service districts that have specified general powers, including, among others, the power to adopt ordinances or enter into and perform contracts, in order to provide specified services authorized under that law. This bill would state the intent of the Legislature to enact legislation addressing any recommendations in the California State Auditor's audit of the Fallen Leaf Lake Community Services District, as requested by the Joint Legislative Audit Committee in August 2018.

**Position:** Watch

**CALAFCO Comments:** CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.

**AB 1389 (Eggman D) Special districts: change of organization: mitigation of revenue loss.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-Read first time.

**Summary:** Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

**Position:** Watch

**Subject:** CKH General Procedures

**SB 654 (Moorlach R) Local government: planning.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

**Summary:** Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill. The author indicates he has no plans to use this for LAFCo law.

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GAVIN NEWSOM  
GOVERNOR

JARED BLUMENFELD  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

February 11, 2019

Board of Directors  
Orosi Public Utility District  
12488 Avenue 416  
Orosi, CA 93647

TCAG/LAFCO  
210 N. Church Street, Ste. B  
Visalia, CA 93291

FEB 19 2019

MAIL RECEIVED

Dear Board of Directors,

The State Water Resources Control Board, Division of Drinking Water (State Water Board) issued a letter dated July 13, 2018 directing the East Orosi CSD and the Orosi PUD to negotiate consolidation and report the outcome to the State Water Board no later than January 13, 2019. In response to the July 13, 2018 letter, the State Water Board received a letter from the East Orosi CSD, dated January 9, 2019, requesting a six-month extension to continue negotiations towards voluntary consolidation. The State Water Board is supportive of and encourages East Orosi CSD and Orosi PUD to continue negotiations towards voluntary consolidation.

The East Orosi CSD was issued Compliance Order No. 03-24-15R-001 (compliance order) for violation of the nitrate maximum contaminant level (MCL) in 2015. This compliance order established a return to compliance date of December 1, 2018. To date, the East Orosi CSD remains out of compliance with the Nitrate MCL. It is the State Water Board's goal to ensure that the customers of East Orosi CSD receive water that meets the drinking water standards. Due to the non-compliant water currently served to customers of the East Orosi CSD, the State Water Board is denying the request for a six-month extension.

If a voluntary consolidation is not timely achieved, the State Water Board may take action pursuant to Health & Safety Code section 116682, subdivision (a) for consolidation of the East Orosi CSD water system into Orosi PUD water system.

If you have any questions regarding this matter, please contact Caitlin Juarez, Southern California Consolidation Coordinator or me at (559) 447-3300.

Sincerely,

Chad Fischer, P.E.  
Senior Sanitary Engineer, Visalia District  
SOUTHERN CALIFORNIA BRANCH  
DRINKING WATER FIELD OPERATIONS