



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

COMMISSIONERS:
Pete Vander Poel, Chair
Julie Allen, V-Chair
Martha Flores
Dennis Townsend
Pamela Kimball

LAFCO MEETING AGENDA October 2, 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 August 7, 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. **Extraterritorial Review of Health Care Services** (Pages 03-15)
[No Public Hearing].....Recommended Action: Make Determination

The Commission will consider its interpretation of whether or not the extension of health care services outside of district boundaries are subject to LAFCO review pursuant to GC §56133. Please see enclosed memo and attachments for more information.

- 2. **Annexation to the City of Visalia, Case 1545-V-453** (Pages 16-30)
[Public Hearing]Recommended Action: Approval

The City of Visalia has submitted a request for an island annexation for approximately 33.9 acres of land along K Road and Burke Road and concurrent detachment of the same area from Tulare County CSA #1. Under CEQA Section 15305 the proposal is exempt from CEQA review.

- 3. **Proposed CALAFCO Dues Increase** (Pages 31-40)
[No Public Hearing]Recommended Action: Give Direction to Voting Delegate

CALAFCO is proposing a dues increase that will be voted upon at the CALAFCO Annual Business Meeting at the CALAFCO conference on October 31st. Please see enclosed memo and attachments for more information.

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 41-48)

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

2. Extraterritorial Service Requests (Pages 49-52)

The Executive Officer approved delegated ESA requests for Terra Bella Sewer Maintenance District and the City of Porterville.

3. Upcoming Projects (No Page)

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

VI. Correspondence

There are no correspondence items

VII. Other Business

1. Commissioner Report (No Page)

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

VIII. Closed Session

It is the intention of the Commission to meet in closed session concerning:
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant Exposure to Litigation (Government Code Section 54956.9(d)(2))
Number of Potential Cases: 1
See today's agenda item regarding Extraterritorial Review of Health Care Services.

IX. Setting Time and Place of Next Meeting

1. November 6, 2019 @ 2:00 P.M in the Board of Supervisors Chambers in the County Administration Building.

X. 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
September 4, 2019 – Meeting Minutes**

Members Present: Vander Poel, Allen, Kimball, Flores, Townsend
Members Absent:
Alternates Present: Valero, Gomes
Alternates Absent: Jones
Staff Present: Giuliani, Ingoldsby, & Kane recording
Counsel Present: Erickson

I. **Call to Order:** Chair Vander Poel called the meeting to order at 2:00 p.m.

II. **Approval of the August 7, 2019 Meeting Minutes:**

Upon motion by Commissioner Allen and seconded by Commissioner Flores, the Commission unanimously approved the LAFCO minutes.

III. **Public Comment Period:**

Vice-Chair Vander Poel opened/closed the Public Comment Period at 2:02 p.m. No public comments received.

IV. **Continued Action Items**

1. **Detachment from the Delano-Earlimart Irrigation District (DEID) Case 1543**

Staff Analysis Ingoldsby presented the addendum staff report with additional information regarding SGMA requirements, irrigation water, and consent of landowners.

GSP monitoring, enforcement, and implementation were all issues discussed.

Chair Vander Poel opened the public hearing at 2:07 p.m.

Mr. Dale Brogen with the DEID spoke in support of the proposed detachment.

Ms. Denise England with the County of Tulare spoke in regards to the County working with DEID in developing a MOU for the GSA oversight of the area.

Chair Vander Poel closed the public hearing at 2:14 p.m.

Upon motion by Commissioner Townsend and seconded by Commissioner Flores, the Commission unanimously approved the detachment as proposed.

V. **New Action Items:**

1. **Annexation to the City of Porterville, Case 1544-P-321**

Staff Analysis Ingoldsby presented the proposed annexation of approximately 23 acres by the City of Porterville. Staff Analysis Ingoldsby reviewed the environmental impacts stating that it had been determined that this annexation is exempt from CEQA and meets criteria to be defined as a County Island.

Chair Vander Poel opened the public hearing at 2:37

Ms. Julie Philips, City of Porterville spoke in support of the proposed annexation.

Chair Vander Poel closed the public hearing at 2:38

Upon motion by Commissioner Allen and seconded by Commissioner Townsend, the Commission unanimously approved the annexation as recommended.

2. **Designation of Voting Delegate and Alternate for CALAFCO Conference**

EO Giuliani explained that during the upcoming CALAFCO Conference a delegate would need to be chosen to vote.

Upon motion by Commissioner Kimball and seconded by Commissioner Flores, the Commission unanimously approved to designate Commissioner Allen as the Voting Delegate and Commissioner Flores, if attending, as the Voting Alternate for the CALAFCO Conference.

V. **Executive Officer's Report**

1. **Legislative Update:**

EO Giuliani reviewed the CALAFCO Legislative Report

2. **Special District Audit Reports**

EO Giuliani reported that Senate Bill 448 modified the audit reporting requirements for special districts now instructing that audit reports must be submitted to LAFCO. Therefore a letter had been distributed to special districts that had not yet provided the audit reports as required.

3. **Upcoming Projects:**

EO Giuliani stated that City of Visalia would be submitting an application for the "K" Street annexation. Upcoming projects would also include an annexation for the City of Tulare and a boundary update for the Lindsay Strathmore Irrigation District.

VI. **Correspondence:**

1. **CALAFCO Membership Dues**

EO Giuliani reviewed a letter from CALAFCO regarding a proposed new membership dues structure that would be voted upon at the CALAFCO Annual Business Meeting. The Commission requested that an action item be brought back to give direction to the Tulare County LAFCO voting delegate to the CALAFCO meeting.

VII. **Other Business:**

1. **Commissioner Report:**

None

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

None

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

The next Local Agency Formation Commission (LAFCO) meeting scheduled for **October 2, 2019 at 2:00 p.m.** in the Board of Supervisors Chambers in the County Administration Building

IX. **Adjournment:** The Tulare County LAFCO meeting adjourned at 3:04 p.m.



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EXECUTIVE OFFICER:
Ben Giuliani

October 2, 2019

TO: LAFCO Commissioners, Alternates

FROM: Ben Giuliani, Executive Officer

SUBJECT: Extraterritorial Services – Health Care

Background

Kaweah Delta Health Care District (KDHCD) is planning to open a clinic (news release attached) in the City of Tulare that is outside the KDHCD's boundaries and within the Tulare Local Health Care District boundaries. In the past, Tulare County LAFCO has not reviewed the extension of health care services outside of health care district boundaries. KDHCD already has clinics in Dinuba, Woodlake, Exeter and Lindsay.

Discussion

As a matter of past practice, Tulare County LAFCO has not reviewed the placement of medical clinics outside of health care district boundaries as an extraterritorial service because of the following provisions in the Health and Safety Code (HSC):

HSC §32121

Each local district shall have and may exercise the following powers:

- (c) To purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district.*
- (j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.*

However, this issue was the subject of a lawsuit between Inyo LAFCO and Northern Inyo HCD versus Southern Mono HCD (tentative ruling attached) where Southern Mono HCD was providing services within Northern Inyo HCD. The tentative ruling went final and was appealed by Inyo LAFCO/Northern Inyo HCD. The case is still awaiting a ruling at the Appeals Court. Within the Superior Court ruling, the judge found that HSC §32121(j) and GC §56133 (LAFCO review of extended services) are not in substantial conflict and that both should apply. While this interpretation of the law has not yet been settled, many other LAFCOs across the State were

already reviewing the provision of health care services beyond district boundaries as an extraterritorial service subject to LAFCO review pursuant to GC §56133:

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

Another nuance which makes KDHCDC's placement of a clinic in Tulare different from a typical provision of extraterritorial services is that there is no initial "contract" or "agreement". Unlike an extension of sewer service to a property with a failing septic or extension of water to a property with a dry well, there is no predefined individual(s) for KDHCDC to have a "contract" or "agreement" with. Essentially, the eventual patients of the clinic will be the individuals that will have an "agreement" with KDHCDC as the service provider.

While the Superior Court ruling regarding extraterritorial service review has not yet been settled, the Commission may still consider its interpretation of whether or not the extension of health care services outside of district boundaries are subject to GC §56133.

Recommendation

Determine whether or not Tulare County LAFCO will exercise its authority to review the provision of extraterritorial health services pursuant to GC §56133.

Attachments:

KDHCDC News Release

Northern Inyo HCD/Inyo LAFCO vs Southern Mono HCD ruling

KAWEAH DELTA ANNOUNCES PLANS TO OPEN MULTI-SPECIALTY CARE CENTER IN TULARE

Sep 19, 2019

VISALIA, CA- Tulare County is one of the most clinically-underserved counties in California. There is one primary care physician for every 2,350 people in Tulare County, a doctor-to-patient ratio that ranks the county 49th out of 58 California counties. A community needs study conducted by the Coker Group has projected that by 2020 Tulare County will need more than 50 additional primary care physicians. Meanwhile, Kaweah Delta has one of the busiest emergency departments in the state, with more than 90,000 annual visits.

To address these community needs, Kaweah Delta is developing a new multi-specialty care center in Tulare. The nearly 10,000-square-foot clinic will be located in the former IRS building at the corner of Prosperity Avenue and Mooney Boulevard. It will expand upon Kaweah Delta's existing partnership with the physicians of Visalia Medical Clinic to bring primary care, walk-in, and specialty physician services to the people of Tulare. Through the Kaweah Delta Medical Foundation, the 2015 partnership between Kaweah Delta and Visalia Medical Clinic, Kaweah Delta has operated a primary care and cardiology office for the past three years at 938 North Cherry Street in Tulare.

"Tulare is an important community for Kaweah Delta. We know that outside of Visalia residents, more Tulare residents come to Kaweah Delta than any other community," said Gary Herbst, Chief Executive Officer. "Nearly 20 percent of our hospital patients are from Tulare. At any given time, we typically have 70 Tulare residents in our hospital. We feel privileged to care for these patients and we are committed to increasing their access to care that is close to home."

Tulare residents visit Kaweah Delta's ED more than 10,000 times per year. Almost 2,000 of those visits are for lower-acuity care that could more appropriately be provided in an urgent care setting.

"While this clinic will increase access to primary care and specialty physicians, we also believe it will be effective in helping reduce overcrowding in our emergency department," Herbst said. "Often people visit the emergency department for care that could have been provided in a physician's office. By offering extended hours and walk-in services, we hope to curb some of those visits."

Patients of the new clinic will have the choice between scheduled appointments and walk-in services, seven days a week including evenings. Physicians and other providers will offer primary care and specialty services such as pediatrics, cardiology, orthopedics, diabetes care, surgery, and urology. The physicians will care for patients at Kaweah Delta Medical Center, Sierra View Medical Center, and Adventist Health Tulare. "We don't view this new clinic as competing with existing providers in Tulare. By expanding our existing services in Tulare we are bringing important new care to a community that remains underserved," Herbst said.

Bruce Hall, MD, the medical director for the Kaweah Delta Medical Foundation who has cared for patients in Tulare County for more than 35 years, said the new clinic will help serve the community. "The development of this clinic will help Kaweah Delta and Visalia Medical Clinic better serve residents of Tulare and the surrounding area," said Hall, who will help recruit new

physicians into the community to join the clinic, and will bring some of VMC's Visalia-based specialists to Tulare to care for patients. "All of the care provided in the clinic - primary care, walk-in, and specialty services - will be highly coordinated and physician-led."

The new Tulare clinic will accept patients with commercial insurance, Medicare, and Medi-Cal coverage. Providers will use Kaweah Delta's Cerner electronic health record, ensuring that care in the clinic is integrated with the full breadth of Kaweah Delta's clinical services. Information entered into the patient record at the clinic will be available to physicians in the hospital, and physicians in the clinic will be able to see information from patient care provided in the hospital and other locations. Kaweah Delta will recruit new clinic staff from the community and does not expect any RNs that are currently working at Kaweah Delta Medical Center to transfer to the clinic.

Kaweah Delta expects to begin seeing patients in Spring 2020 at the new Tulare clinic.

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO**

DATE:	March 3, 2017 11:00 a.m.	DEPT. NO.:	24
JUDGE:	HON. SHELLEYANNE W. L. CHANG	CLERK:	E. HIGGINBOTHAM
INYO COUNTY LOCAL AGENCY FORMATION COMMISSION, a local public agency, and NORTHERN INYO HEALTHCARE DISTRICT, a local healthcare district. Petitioners and Plaintiffs,		Case No.: 34-2015-80002247	
v.			
SOUTHERN MONO HEALTHCARE DISTRICT, a local healthcare district, and DOES I through XX, inclusive. Respondents and Defendants.			
Nature of Proceedings:		PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY RELIEF AND TEMPORARY AND PERMANENT INJUNCTION	

The following shall constitute the Court's tentative ruling on the above matter, set for hearing in Department 24, on Friday, March 3, 2017, at 11:00 a.m. The tentative ruling shall become the final ruling of the Court unless a party wishing to be heard so advises the clerk of this Department no later than 4:00 p.m. on the court day preceding the hearing, and further advises the clerk that such party has notified the other side of its intention to appear.

Petitioners seek a writ of mandate directing Respondent to (1) set aside agreements for providing healthcare services in Inyo County, (2) take no further action to provide healthcare services in Inyo County, and (3) seek permission from the Inyo County Local Agency Formation Commission (LAFCO) before providing healthcare services in Inyo County. Petitioners also seek related declaratory relief. **The Petition is DENIED.**

I. BACKGROUND

Petitioner Northern Inyo Healthcare District (Petitioner or NIH) and Respondent Southern Mono Healthcare District (SMHD) are both hospital districts in neighboring counties in the Eastern Sierra region of California. NIH and SMHD are special districts formed pursuant to Health & Saf. Code, §§ 32000, *et seq.* Generally, these statutes authorize special districts to build and operate hospitals and health care facilities in underserved areas, e.g. rural areas, where facilities cannot be maintained without government support. (*See Talley v. Northern San Diego County Hosp. Distr.* (1953) 41 Cal.2d 33, 40.)

Petitioner NIH serves Inyo County and operates Northern Inyo Hospital, a 25-bed hospital, located in Bishop, California. Respondent SMHD serves adjoining Mono county and operates Mammoth Hospital, a 15-bed hospital in Mammoth Lakes, California. It is undisputed that all of NIH's territory is in Inyo County, all of SMHD's territory is a Mono county, and that NIH and SMHD share a boundary at the Mono-Inyo county line.

The pertinent facts show that SMDH-affiliated physicians have operated in Bishop for many years, initially to fill a need of NIH. At some point, however, SMHD-affiliated physicians began to overstay their welcome in Bishop, prompting Petitioners to seek mandate relief. The pertinent facts are as follows:

In 2003, NIH needed an orthopedic surgeon, as the orthopedic surgeons previously serving NIH left the area. NIH had trouble finding a replacement.

To fill this vacancy, in November 2003, NIH entered into a lease with Dr. Jack Perry and Dr. Michael Karch, physicians affiliated with SMHD, for office space in Bishop on NIH's "campus." (Joint Appendix (JA), Tab 7.) It is undisputed that Dr. Perry proposed that his orthopedic group could offer services for Northern Inyo Hospital and Mammoth Hospital. (See Deposition Transcript of John Halfen, Administrator of Northern Inyo Hospital, pp. 17-19.) SMHD avers that NIH asked Dr. Perry and Dr. Karch to take a more "permanent position" in Bishop, as NIH continued to have difficulty attracting an orthopedist.

In or about mid-2010, Dr. Perry "relocated" and ceased providing orthopedic services to NIH. (JA, Tab 10.) However, other physicians continued working out of the office space long after Dr. Perry's departure. Indeed, SMHD admits that its physicians left "no later than Summer 2013." (Opposition, 4:8-19.)

SMHD asserts that the need for orthopedic services grew substantially in 2010. (Opposition, 4:7.) SMHD avers that at the request of patients, it purchased property on West Line Street in Bishop and opened an orthopedic clinic in Spring 2011, so that patients in Bishop would not have to drive to Mammoth for services. (Opposition, 4:13-14, JA, Tabs 11-12.) SMHD also admits that it began providing physical therapy services, in addition to orthopedic services, in the Summer of 2011.

Petitioners allege that the purpose of the new "West Line Street" office was to enable SMHD to directly compete with NIH for the "limited number of orthopedic patients" in the area. (Opening Brief, p 12.) Specifically, Petitioners allege that SMHD-affiliated orthopods, Dr. Karch and Dr. Crall, saw patients at that office in Bishop but scheduled surgeries at Mammoth Hospital. (JA, Tab 5.) Petitioners further allege that although NIH attempted to negotiate an agreement to "work with" SMHD during this time, SMHD rejected this proposal.

On November 29, 2011, NIH sent SMHD a letter stating that NIH expected to have an orthopedic surgeon working out of the office space formerly used by Dr. Perry, and that

NIH would manage the office, and change its name to reflect the office's affiliation with NIH. (JA, Tab 16.) NIH secured the orthopedic services of another physician.

SMHD admits that it "relocated" its orthopedic services from West Line Street to another facility on Iris Street, in Bishop in July 2012. (Opposition, 4:24-25.)

Petitioners allege that on or about June 1, 2015, SMHD opened the Bishop Physical Therapy Clinic and Mammoth Orthopedic Institute, in Bishop (Main Street Facility). (JA, Tabs 24, 26-28, 32.)

A document Petitioners allege is a "press release"¹ states that the new Main Street Facility is larger, will be open extended hours, and is adding new equipment and services to serve the community. (JA, Tab 24.)²

Petitioners allege that SMHD significantly expanded its operations in 2015 by opening the Main Street Facility. (Opening Brief 12.) SMHD counters that it was not expanding its operations, but rather opened the Main Street Facility to consolidate its physical therapy services (formerly offered at the West Line street facility) and its orthopedic services (formerly offered at the Iris Street facility).

In or about April 2015, LACFO informed SMHD that SMHD needed to submit an application to LACFO for approval before providing health care services in Bishop or operating the Main Street Facility. (Joint Appendix, Tab 31.) SMHD has not submitted a LACFO application and continues to operate the Main Street Facility.

Petitioners filed this Petition in Inyo County in August 2015, and venue was transferred here. In December 2015, Petitioners unsuccessfully sought an ex parte order to restrain SMHD from operating the Main Street Facility pending a hearing on the merits.

II. DISCUSSION

a. Evidentiary Objections; Requests for Judicial Notice

The parties have filed numerous evidentiary objections. The Court rules as follows:

As to Petitioners' evidentiary objections, the Court **OVERRULES** objections Nos. 1, 2, 5, 6, 9, 12-14, 16(b)³, 16(c), 17(b), 18-27, 29, 30, 32, 35-39, 41-48, 50(a), 51, 52(c)-55,

¹ Respondent has not objected to this characterization.

² A comparison of the leases for Dr. Perry's office space and the June 2015 leases indicate that Main Street Facility premises leased in 2015 were significantly more expensive than the space leased by Dr. Perry in 2003. (JA, Tabs 7, 26-28.) For example, the 2003 lease with Dr. Perry indicates that the monthly rate is \$500.00. The 2014 leases for the Main Street Facility, Units A and B, state that the monthly rent is \$4,275.00 and \$2185.00, respectively. (JA, Tabs 7, 26, 27.) SMHD avers that it was actually paying \$1,200.00 a month rather than \$500.00 a month in rent. (See Declaration of Melanie Van Winkle, ¶9.) Nevertheless, a substantial discrepancy exists between these amounts and the amounts for monthly rent of the Main Street Facility.

58-61. The Court **SUSTAINS** objections Nos. 3, 4, 7, 8, 10, 11, 15, 16(a), 17(a), 28, 31, 33-35, 40, 49, 50(b), 52(a), 52(b), 56, 57.

As to SMHD's objections the Court **SUSTAINS** objection Nos. 1, 4, 7, 10, 11-13, and **OVERRULES** objections Nos. 2, 3, 5, 6, 8, 9.

The Court grants the unopposed requests for judicial notice filed in support of the Opening Brief and Opposition Brief. The Court also grants Petitioners' request for judicial notice in support of the Reply brief, as it is a report from the Legislative Analyst's Office and is properly subject to judicial notice. (*Kaufman & Broad Communities, Inc. v. Performance Plastering, Inc.* (2005) 133 Cal.App.4th 26, 31-37.)

b. Standard of Review

A writ of mandate is available to compel an agency to perform a ministerial duty. (*Mooney v. Garcia* (2012) 207 Cal.4th 229, 232.) In an action for writ of mandate, the petitioner bears the burden of pleading and proving the facts on which the claim for relief is based. (*See, California Corr. Peace Officers Assoc. v. State Pers. Bd.* (1995) 10 Cal.4th 1133, 1153-1154.)

c. Government Code Section 56133 requires SMHD to Obtain LAFCO Permission Before Providing New or Extended Services Outside SHMD's Jurisdictional Boundary

Whether Petitioners are entitled to mandate relief depends in part upon whether SMHD was required to obtain permission from LAFCO before providing new or extended services outside its jurisdictional boundary. The Court concludes that LAFCO approval is required before SHMD provides new or extended services outside its jurisdictional boundary. SMHD's status as a health care district does not preclude it from consultation with LAFCO.

Pursuant to the Cortese-Knox-Hertzberg Act (the Act) (*see* Gov. Code, § 56000, *et seq.*), a local agency formation commission, or LAFCO, exists within each county. (*Las Tunas Beach Geologic Hazard Abatement Dist. v. Superior Court (Las Tunas)* (1995) 38 Cal.App.4th 1002, 1008-1009 [citing Gov. Code, §§ 56027, 56325].) The Act was enacted to discourage urban sprawl and encourage the orderly formation and development of local agencies based upon local conditions and circumstances. (*Community Water Coalition v. Santa Cruz County Local Agency Formation Commission* (2011) 200 Cal.App.4th 1317, 1323.) The Act empowers LAFCOs to approve or disapprove proposals "for changes of organization or reorganization" of districts and generally make decisions on a variety of urban planning issues. (*Las Tunas, supra*, 38 Cal.App. 4th at p. 1009 [citing Gov. Code, § 56375, subd. (a)]; *Modesto Irrigation Distr. v. Pacific Gas & Electr. Co.* (N.D. Cal. 2004) 309 F.Supp. 1156, 1160-1161.)

³ Petitioners include multiple objections bearing the same number. When appropriate, the Court refers to such objections as 16(a)-16(c).

Pertinent here, Government Code section 56133 requires that a city or district⁴ may provide extraterritorial services only if it first requests and receives approval from the LAFCO. (Gov. Code, §§ 56133, 56375(p); *see also Community Water Coalition, supra*, 200 Cal.App.4th at p. 1324.) Government Code, section 56133 (a), provides that:

- (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

Subdivision (e) of section 56133 does not require LAFCO approval in particular situations, including provision of “alternative or substitute” services by another public agency:

- (e) This section does not apply to any of the following:

- (1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

Petitioners contend that SMHD, by opening the Main Street Facility, has been providing “new or extended services by contract or agreement outside its jurisdictional boundary” and thus, was required to seek permission from LAFCO under Government Code section 56133.

There is no dispute that SMHD has been providing services and most recently, operating the Main Street Facility, outside its jurisdiction. The Court also finds that SMHD was providing services by contract or agreement.

SMHD responds that it need not seek LAFCO approval before operating the Main Street Facility. SMHD argues that it is a hospital district, with powers enumerated by Health & Saf. Code 32121, and that this more specific statute precludes it from having to seek LAFCO approval under Government Code section 56133. The Court is not persuaded.

Health & Safety Code section 32121 enumerates the powers of local hospital districts. Among other things, this statute provides that local hospital districts “shall have and may exercise” the following powers, including the power to “purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description *within and without the limits of the district*, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district.” (Health & Saf. Code, § 32121(c).) Thus, Health & Safety Code section 32121 empowers hospital districts to offer services outside their boundaries.

⁴ LAFCOs regulate the conduct of special districts, including hospital districts, such as SMHD. (*Las Tunas, supra*, 38 Cal.App.4th at p. 1010 [citing Gov. Code § 56036].)

The Court must harmonize Government Code section 56133 and Health & Safety Code section 32121.

“The fundamental goal of statutory construction is to ascertain the intent of the Legislature so as to effectuate the purpose of the law. In determining that intent we first look to the words of the statute, giving the language its usual, ordinary meaning. [The Court] construe[s] the words of the statute in context, keeping in mind the statutory purpose. Statutes or statutory sections relating to the same subject must be harmonized to the extent possible. Where uncertainty exists, consideration should be given to the consequences that will flow from a particular interpretation. Both the legislative history and the wider historical circumstances of its enactment may be considered in ascertaining the legislative intent.” (*Community Water Coalition, supra*, 200 Cal.App.4th at p. 1324.)

The Act co-exists with other statutory schemes regulating districts. (*Las Tunas, supra*, 38 Cal.App 4th at p. 1012.) When the formation of special districts is specifically regulated, the regulatory statute controls formation. (*Ibid.*) However, the Act does not preclude other, more specific statutes, pertaining to district changes of organization. (*Id.*) However, it is appropriate to “partially apply” the Act when a statute does not specifically address a particular situation. (*Id.*, at p. 1013.)

Here, Health & Safety Code section 32121 does not discuss the powers of hospital districts, as they relate to other districts, or local entities, such as LAFCO. However, the absence of such discussion does not confer upon a hospital district unlimited power, regardless of the existence of other state laws.

For example, a water district could not rely on a statute allowing it to sell power to allow it to circumvent LAFCO approval. (*Modesto Irrigation Distr. v. Pacific Gas & Electr. Co., supra*, 309 F.Supp. 1156.) Although this case is federal authority, the Court finds its reasoning persuasive, particularly in light of the absence of state law authority addressing this exact issue.

In the *Modesto Irrigation District* case, an irrigation district offered to sell electricity to the city of Pittsburg, California, which city was located some distance from the district’s geographical service area. The irrigation district claimed that because Water Code section 22120 permitted it to sell power outside its boundaries, it was not required to seek LAFCO approval under Government Code section 56133. The Court disagreed. (*Id.*, a pp. 31-34.) The Court found that Section 56133 did not repeal, impliedly or otherwise, Water Code section 22120. Rather, Section 56133, limits districts’ right to sell those services, specifying how and when districts may do so, but not eliminating the right altogether. (*Id.*, a pp. 31-32.)

The Court finds the *Modesto Irrigation Distr.* case persuasive and applicable to this case. The Court concludes that, like the irrigation district in that case, SMHD cannot rely on Health & Safety Code, § 32121, which allows it to provide services outside its boundaries, to circumvent LAFCO approval.

First, Government Code section 56133 does not impliedly repeal Health & Safety Code section 32121. Neither statute is completely at odds with each other, and thus both statutes can be applied. (*See Stop Youth Addiction v. Lucky Stores* (1998) 17 Cal.4th 553, 569.)

Second, the Court notes that Health & Safety Code section 32121's grant of power is permissive: hospital districts "shall have and may exercise the following powers." In contrast, the language of Government Code section 56133(a) is mandatory: a district must seek approval from LAFCO.

Additionally, the Court's finding that Health & Safety Code section 32121 does not override Government Code section 56133 is reasonable. The Court construes Health & Safety Code section 32121 not as a grant of unlimited power to hospital districts, but as a grant of power that is limited by other existing California law. Indeed, SMHD's construction of Health & Safety Code section 32121 would allow it to disregard other existing California statutory schemes governing land use, such as the California Environmental Quality Act, or state laws governing planning and zoning. The Court will not interpret Health & Safety Code section 32121 to allow this absurd result.

Thus, the existence of Health & Safety Code section 32121, allowing hospital districts to provide services outside their boundaries, does not exempt such hospital districts from seeking LAFCO approval pursuant to Government Code section 56133.

Accordingly, if SMHD provided new or extended services by contract or agreement outside its jurisdictional boundary, and those services are not "alternative or substitute" services, pursuant to Government Code section 56133, subdivision (e), it was required to first request and receive written approval from LAFCO.

d. Statute of Limitations

The Court's inquiry does not stop here, however. It is Petitioners' burden to prove that it is entitled to mandate relief. Petitioners have not met this burden.

Petitioners must show that SMHD is providing new or extended services. Petitioners contend that the June 2015 opening of the Main Street clinic is a new or extended service. SMHD contends that it is not, rather, the opening of the Main Street clinic replaces existing services.

It is undisputed that SMHD-affiliated physicians have provided orthopedic services in Bishop since at least 2003, and no party has ever sought LACFO approval until 2015.

The Court has reviewed the briefs and evidence submitted by the parties. It is undisputed that SMHD initially provided services at the request of NIH, and may have provided substitute or alternative services not subject to LAFCO approval under Government Code section 56133(e). Over time, SMHD-affiliated physicians encroached upon NIH's

territory. At some point in time, SMHD began to provide “new” or “extended” services, requiring LAFCO approval. Indeed, SMHD provided expanded or new services in 2011 when it offered physical therapy services in addition to orthopedic services.

SMHD argues that the Petition is barred by the statute of limitations and other equitable defenses. The Court agrees.

SMHD argues that the Petition is barred by the three-year statute of limitations. (Code Civ. Proc., § 338(a) [three-year statute of limitations applies to a liability created by statute].) A liability created by statute of an obligation which the law creates. (*Shewry v. Begil* (2005) 128 Cal.App.4th 639, 644 [applying Section 338(a) to mandate action for reimbursement of Medi-Cal expenditures].) Here, Petitioners seek mandate relief pursuant to an obligation imposed by state law, there is no specific limitations period, and the parties do not dispute that the three year limitations period applies. Accordingly, the Court concludes that this action is subject to the three year limitations period in Code of Civil Procedure Section 338(a). This three year time period runs from the first time the challenge could be brought, i.e., the initial accrual of the cause of action. (*Travis v. County of Santa Clara* (2004) 33 Cal.4th 757, 774.)

Petitioners were certainly aware that SMHD was operating in Bishop. Petitioners were aware that SMHD opened the West Line Street Clinic, after the departure of Dr. Perry in 2011, and that SMHD began to provide physical therapy services in 2011. These were new or extended services subject to LAFCO approval required by Government Code section 56133. Petitioners could have challenged those actions then. They did not. Indeed, Petitioners conceded that NIH tried to “work with” SMHD after SMHD opened the West Line Street office. However, Petitioners did not file the petition until August 2015, after SMHD opened the Main Street Facility, which SMHD contends is not new or extended services.

Although Petitioners argue that the Main Street facility is larger and has a permanent, as opposed to portable, X-Ray machine, the Court cannot conclude in this case, particularly in light of SMHD’s lengthy and extended presence in Bishop, that the Main Street Facility constitutes a new or expanded service requiring LAFCO approval. Accordingly, the Court concludes that the action is barred by the three year statute of limitations.

Because the Court concludes that this action is barred by the statute of limitations it does not address SMHD’s arguments that this action is barred by other equitable doctrines.

Certainly, if SMHD engages in other activities that are new or expanded services, Petitioners may seek mandate relief, if SMHD does not seek LAFCO approval. But Petitioners are not entitled to mandate relief under the facts presented here.

Petitioners have also filed a complaint for declaratory relief. To the extent that the claims in the declaratory relief complaint differ from the Mandate claim, Petitioners have not briefed how these claims differ. Upon reply, Petitioners argue that declaratory relief is

appropriate because Petitioners ask the Court to resolve whether the contracts and agreements entered by SMHD without securing approval of LAFCO are valid. Petitioners have not briefed this argument and the Court does not consider it. However, this argument is also barred by the three-year statute of limitations.

III. DISPOSITION

The Petition is denied. The Complaint for Declaratory relief is denied. In the event this tentative ruling becomes the final ruling of the Court, Counsel for Respondent is directed to prepare a formal order, incorporating the Court's ruling as an exhibit thereto, and a separate judgment, submit them to counsel for the parties for approval as to form, and thereafter submit them to the Court for signature, in accordance with California Rules of Court, Rule 3.1312.

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

October 2, 2019

**LAFCO Case Number 1545-V-453
City of Visalia Annexation No. 2019-01 (K Road)**

PROPOSAL: City of Visalia Reorganization (annexation to Visalia, detachment from CSA #1)

PROPONENT: The City of Visalia by resolution of its City Council

SIZE: 33.9 acres

LOCATION: K Road and Burke Road (**Figures 1&2**)

NOTICE: Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.

SUMMARY: The purpose of the proposal is to annex a substantially developed county island into the City of Visalia and detach the same territory from Tulare County CSA #1.

APNs: There are 54 parcels in the subject area. See attached assessor's report for a list of the APNs. (**Figure 3**)

GENERAL ANALYSIS

1. Land Use:

A. Site Information

	Existing (County)	Proposed (City)
Zoning Designation	R-1 and A-20	R-1-5 (Single Family) and R-M-2 (Multi-Family)
General Plan Designation	Low Density Residential	Medium and Low Density Residential
Uses	Single family and multi-family residences and accessory structures	No change

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

	Zoning Designation	General Plan Designation	Existing Use
North	R-M-2 & R-1-5	Medium and Low Density Residential	Residential, Vacant
South	R-1-5	Low Density Residential	Residential Subdivision
East	R-1-5	Low Density Residential	Residential Subdivision
West	R-M-2, R-1-5, I-L	Multi-Family Residential, Single Family Residential, Light Industrial	Residential and industrial storage/office

C. Topography, Natural Features and Drainage

The site is generally flat and does not contain any natural topographical features. A rail spur exists along the northern boundary of the site.

D. Conformity with General Plans and Spheres of Influence:

The site is within the City's Tier 1 Urban Development Boundary (UDB) and Sphere of Influence.

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

The parcels within the site are not under a Williamson Act or Farmland Security Zone contract.

3. Population:

Approximately 212 based on the 63 residential addresses in the area with an average of 3.36 person per household within the proposed annexation area. The County Elections Division has indicated that there are more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC Section 56046, the annexation area is inhabited.

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

Agency providing service

Service	Now	After	Method of finance
Police Protection	Tulare County Sheriff's Office	City of Visalia	General Fund
Fire Protection	City of Visalia (Contract with County)	City of Visalia	General Fund
Water Supply	Private wells/Cal Water	Cal Water	User Financed

Sewage Disposal	Individual Septic	City of Visalia	Impact/User Fee
Street Lighting	None	City of Visalia	General Fund
Street Maintenance	County of Tulare and maintenance agreement with City of Visalia (for K Road)	City of Visalia	General Fund
Planning/Zoning	County of Tulare	City of Visalia	General Fund
Garbage Disposal	City of Visalia	City of Visalia	User fees
Storm Drain	None	City of Visalia	Impact / User Fee
Ground Water	None	City of Visalia	Impact / User Fee

5. Boundaries and Lines of Assessment:

The boundaries of the proposal area are definite and certain and conform to the lines of assessment and ownership. A map sufficient for filing with the State Board of Equalization has been received.

6. Environmental Impacts:

The City of Visalia is the lead agency for this proposal. The City has determined that this annexation is exempt from CEQA under Section 15305. A copy of the document is included in the application materials.

7. Landowner Consent:

Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides for an expedited process for cities to request LAFCOs to annex qualifying islands of unincorporated territory (GC56375.3). If the Commission finds that this island meets the requirements for the stream-lined island annexation provisions as listed in section 3 of "Recommended Actions" the annexation must be approved and the protest hearing must be waived.

8. 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. The extent of this proposal aiding the City in achieving its fair share of regional housing needs is limited due to the area already being substantially developed. There is a parcel at the south end of Burke with space for development, but no development proposals have been submitted. There is also the potential for some of the existing single family to be replaced with new multi-family housing but no development proposals have been submitted.

9. Discussion:

County Islands

In August 2017 the Commission approved an annexation for a portion of the K Road Island (an identified Disadvantaged Unincorporated Community, DUC) to enable a residential development. One of the conditions of approval required the City of Visalia to submit an application to annex the remainder of the K Road Island. This application would annex the remainder of that island.

The annexation of the subject island will further LAFCO goals and policies, and serves to improve this disadvantaged community in many ways. The subject territory is substantially developed, fully surrounded, and an inhabited island of County jurisdiction in the City of Visalia and qualifies for the streamlined island annexation process and waiver of protest hearing pursuant to GC section 56375.3. The reasons supporting annexation of this island include creation of a more definitive and organized city boundary, efficient provision of government services, and to ensure the provision of services and facilities needed to accommodate population densities in the subject area.

Government Services

The adequacy of governmental service will be improved within the subject area. According to the City they are currently able to provide the annexation area urban services and infrastructure for development such as sewer services, fire, police, streets lighting, etc., as well as planning and building services.

Services which would be extended to this area, including police and fire safety services and development permit services, will be funded primarily through impact fees and the general fund.

Any growth occurring in this area would be consistent with the City's General Plan since the sites are within the current Tier 1 Urban Development Boundary and are designated for development with the adoption of the new General Plan. This area will need increased services, including planning and building safety, police and fire protection, and sewer service. The City of Visalia is prepared to provide these services.

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 Categorical Exemption prepared by the City of Visalia for this project and find that the project is exempt from CEQA under Section 15305.

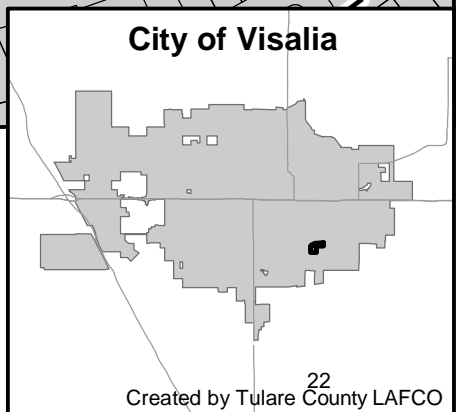
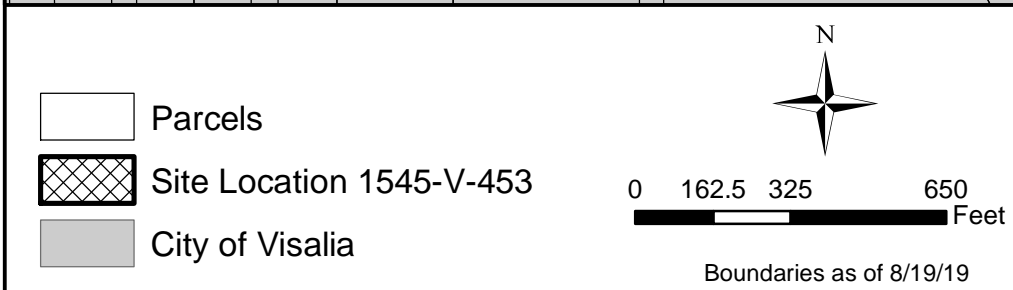
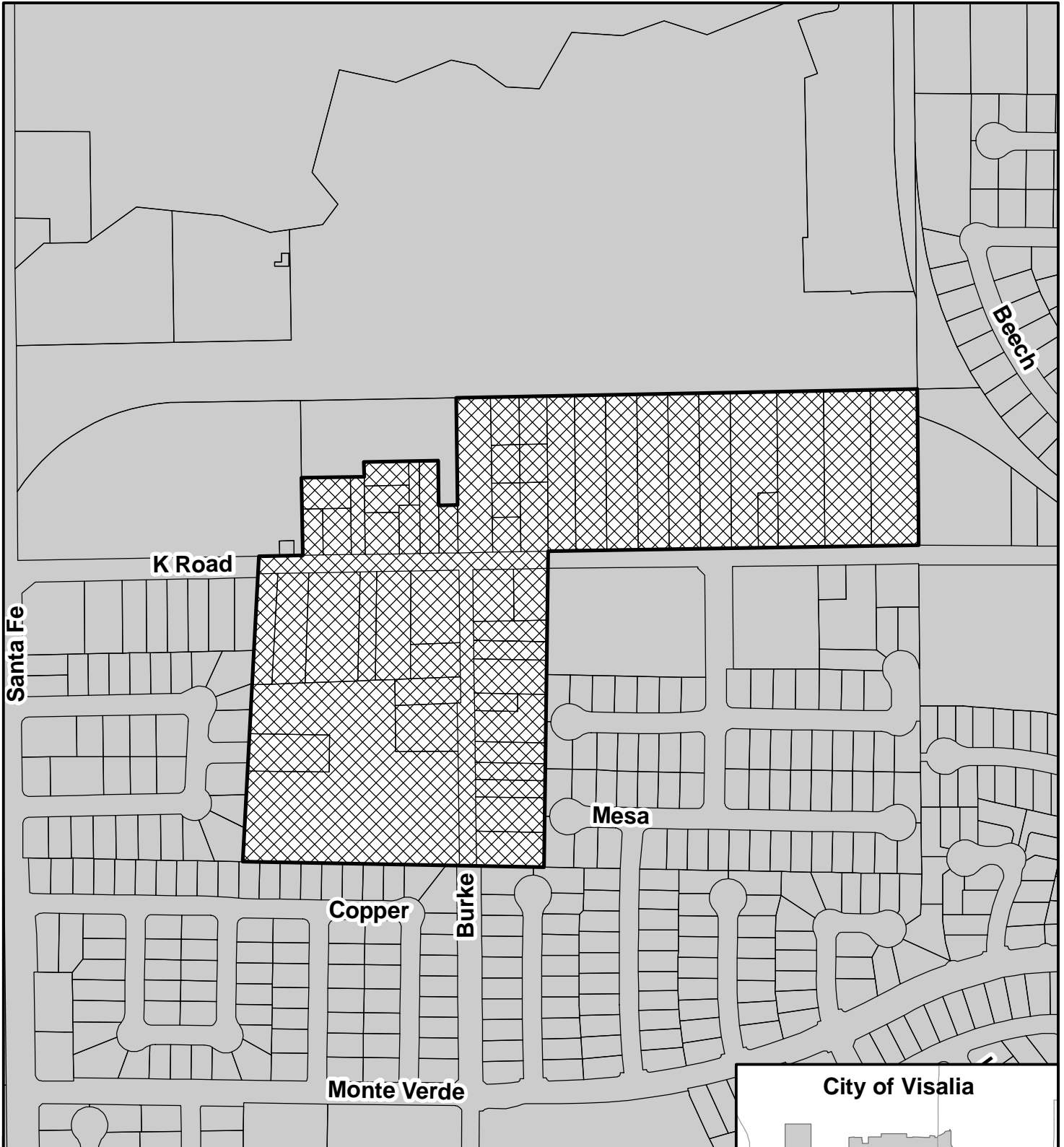
2. Find that the proposed reorganization of the City of Visalia complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Find that the proposed annexation conforms to the criteria for "island" annexations as described in Government Code Section 56375.3 and find that the territory:
 - a. does not exceed 150 acres in size
 - b. comprises the entire island of unincorporated territory
 - c. was substantially surrounded by the City as of 1/1/2014
 - d. is substantially developed or developing
 - e. is not considered prime agricultural land as defined in Government Code Section 56064
 - f. will benefit from the annexation or is receiving benefits from the City
4. 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.
5. Find that the annexation does not contain any Williamson Act contract land.
6. Approve the proposed reorganization, to be known as LAFCO Case Number 1545-V-453, Visalia Annexation No. 2019-01 (K Road) 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 the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.
- 7. Waive the protest hearing for this proposal in accordance with Government Code section 56375.3(a) and order the change of organization without an election

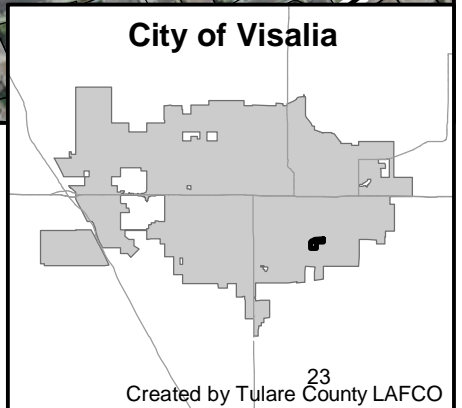
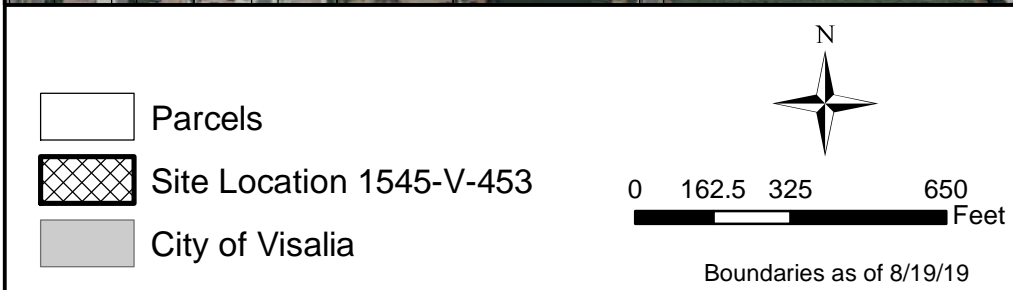
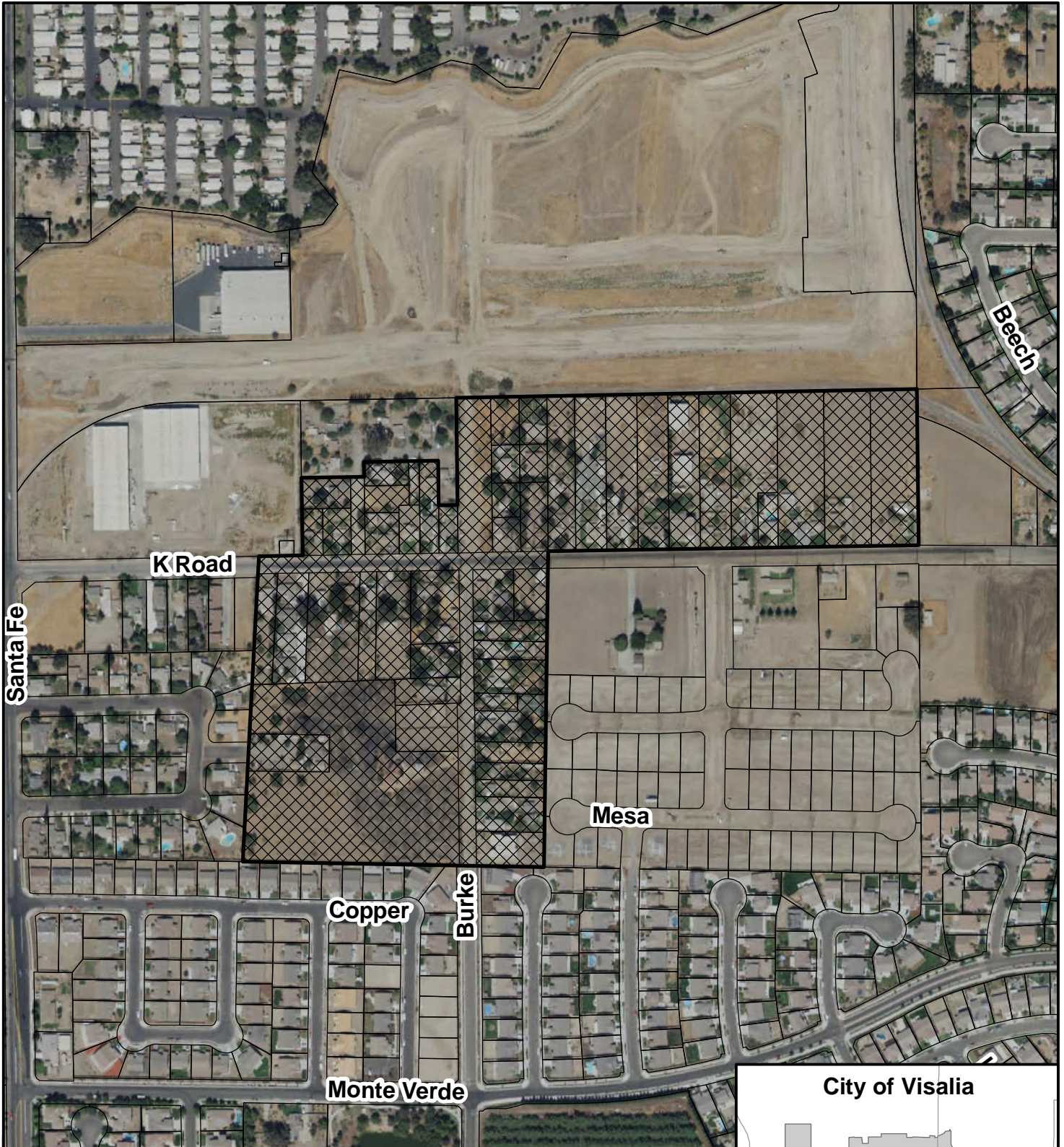
Figures:

- Figure 1 Site Location Map
- Figure 2 Aerial
- Figure 3 Assessor's Report
- Figure 4 Resolution

LAFCO Case 1545-V-453



LAFCO Case 1545-V-453



ASSESSOR'S REPORT TO LAFCO & AUDITOR

[Pursuant to Section 56386 of Government Code]

LAFCO CASE NO.: 1545-V-453

PROPONENT: City of Visalia

DESCRIPTIVE TITLE: LAFCO Case #1545-V-453 Annexation to the City of Visalia No. 2019-01 & detachment from CSA #1

1) Total Parcels Lying Entirely Within Proposed Boundaries: 56

See Itemized list, attached

2) Total Parcels Lying Only Partially Within Proposed Boundaries: 0

NONE

3) a) Total Parcels in Aq Preserve and/or Contract: 0

NONE

b) If Case Is Annexation of Aq Preserve, Does Initiating Agency Address Issue:

N/A

4) a) Total Parcels Owned by Initiating Agency: 0

NONE

b) If Any, Were Parcels Acquired by Eminent Domain or Other Method:

N/A

5) Assessee's Names, Addresses, Tax Rate Areas and Values:

Using the above-referenced Assessor's Parcel Numbers this information is available to you via the County's Property Information System ("PIMS") shared by our offices.

6) Other Comments:

a) The County Resource Management Agency is the local authority, and the Department of Conservation is the State authority on the existence, extent and status of any agricultural preserves, land conservation contracts and related issues and matters.

Technician: ASG

Date: 08/28/2019

END OF REPORT

Itemized List of Parcels Lying Entirely Within Proposed Boundaries

123-110-001	123-350-001
123-110-002	123-350-002
123-110-004	123-350-003
123-110-006	123-350-004
123-110-007	123-350-005
123-110-008	123-350-006
123-110-009	123-350-007
123-110-010	123-350-008
123-110-011	123-350-009
123-110-012	123-350-010
123-110-013	123-350-011
123-110-014	123-350-012
123-110-015	123-350-013
123-110-016	123-350-014
123-110-017	123-350-015
123-110-019	123-350-016
123-110-020	123-350-017
123-110-021	123-350-018
123-110-022	123-350-019
123-110-024	123-350-020
123-110-025	
123-110-026	
123-110-027	
123-340-071	
123-340-072	
123-340-073	
123-340-074	
123-340-075	
123-340-076	
123-340-077	
123-340-078	
123-340-079	
123-340-080	
123-340-081	
123-340-082	

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 Visalia and Detachment from)
CSA #1, LAFCO Case 1545-V-453,) **RESOLUTION NO. 19-XXX**
City of Visalia Annexation No. 2019-01)
(K Road))

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 attached Exhibit “A” made a part hereof; and

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

WHEREAS, on September 4, 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, the report of the County Assessor, and the report and recommendations 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 City of Visalia, 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 Visalia for this project and finds the project to be exempt under CEQA Sections 15319 and 15303(a).

3. The Commission has reviewed and considered, in accordance with Government Code Section 56668, the information, material and facts presented by the following persons who appeared at the meeting and commented on the proposal:

XXXXXXX
XXXXXXX

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. This proposal is for the annexation of a surrounded unincorporated islands consisting of approximately 33.9 acres. The territory contains 56 parcels and is substantially developed with single family residences.
- b. More than 12 registered voters reside in the affected territory, which is considered inhabited.
- c. The subject territory is within the Sphere of Influence of the City of Visalia.
- d. The unincorporated island existed as described above as of January 1, 2014, as provided in GC §56375.4.

6. The annexation is proposed by resolution of the City of Visalia, and meets the following requirements for annexation of unincorporated islands as set forth in Government Code Section 56375.3:

- a. The annexation was initiated on or after January 1, 2000.
- b. The annexation is proposed by resolution adopted by the affected city.
- c. The territory contained in the annexation meets all of the requirements set forth in GC §56375.3(b):
 - i. The territory does not exceed 150 acres in area and that area constitutes the entire island.
 - ii. The territory constitutes an entire unincorporated island located within the limits of a city.
 - iii. The territory is surrounded or substantially surrounded by the city which annexation is proposed.
 - iv. The territory is substantially developed or developing based on consideration of the availability of public utilities, the presence of public improvements or physical improvements upon the parcels.
 - v. The territory is not considered prime agricultural land, as defined by GC §56064.
 - vi. The territory will benefit from annexation or is receiving benefits from the annexing city.

7. 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 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.

8. The Commission hereby waives the protest hearing proceedings pursuant to Part 4 (commencing with GC §57000) entirely in accordance with Section 56375.3 (a) (1) of the Government Code and orders the annexation without an election.

9. The Commission hereby approves the proposed reorganization of the territory described in Exhibit "A," attached hereto, subject to the following conditions:

- a. No change shall be made to land-use designations or zoning for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstance that necessitate a departure from the designation or zoning.
- b. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.

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

LAFCO Case No. 1545-V-453, City of Visalia Annexation No. 2019-01 (K Road)

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

The foregoing resolution was adopted upon motion of Commissioner _____, seconded by Commissioner _____, at a regular meeting held on this 2nd day of October, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

si

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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:

*Pete Vander Poel, Chair
Julie Allen, Vice Chair
Martha Flores
Dennis Townsend
Pam Kimball*

ALTERNATES:

*Eddie Valero
Carlton Jones
Manny Gomes*

EXECUTIVE OFFICER:

Ben Giuliani

October 2, 2019

TO: LAFCO Commissioners, Alternates

FROM: Ben Giuliani, Executive Officer

SUBJECT: CALAFCO Dues Increase

Background

CALAFCO currently has a structural deficit in their budget that is being filled by profits made from their conferences. CALAFCO is proposing a significant increase in membership dues to close the deficit so that the budget won't be reliant on volatile conference earnings. The new dues are proposed to be comprised of a \$1,000 base plus per capita dues based on population up to a maximum of 700,000 people. (CALAFCO letter, dues Q&A and proposed FY 20/21 dues are attached.)

Discussion

As discussed at the September 4th LAFCO meeting, the proposed new due structure would raise Tulare County LAFCO's dues from \$4,254 in 19/20 to \$7,732 in 20/21. The new proposed dues structure places the vast majority of the cost increases on medium-sized counties like Tulare, Monterey, San Joaquin and Stanislaus. In comparison, dues for large counties like San Diego and Los Angeles would increase by just \$286 from \$10,376 to \$10,662. In addition, using a cap of 700,000 people to calculate the per capita dues amount causes counties like San Joaquin, with 782,662 people to have the same dues amount as Los Angeles, with over 10 million people.

An alternative dues structure could be developed that more equitably spreads the cost increases. For example, large counties could be divided into tiers that would differentiate very large counties like Los Angeles versus much smaller counties like San Joaquin. In the attached example alternative, counties between 1 million and 1.5 million population would have \$1,000 in large county tier dues, counties between 1.5 million and 3 million would have \$2,000 and counties over 3 million would have \$3,000. Another alternative would be to continue to use the CALAFCO proposal except raise the 700,000 population cap to a higher number.

The CALAFCO proposed due structure is scheduled to be voted upon at the CALAFCO Annual Business Meeting on October 31st. Tulare County LAFCO's voting delegate needs direction from the Commission regarding the CALAFCO proposal.

Recommendation

Give direction to the Tulare County LAFCO voting member regarding the proposed CALAFCO dues structure that is subject for a vote at the CALAFCO Annual Business Meeting.

Attachments:

CALAFCO letter (8/12/19)

CALAFCO dues Q&A

Proposed 20/21 dues

Adopted 19/20 dues

Alternative dues structure

August 12, 2019

TO: Member LAFCos
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFCos:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

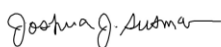
The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



Josh Susman
Chair of the Board



Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure

To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on
October 31, 2019



Questions & Answers

Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFco has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFco with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFco if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFco must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFco shall submit to CALAFco the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFco's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFco Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFco website at www.calafco.org.

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

CALAFCO LAFCo Dues FY 2019-2020

As adopted by the Board March 1, 2019

County	DOF Population Jan 2018	Category	2016-2017 Dues	7.0% Increase	2017-2018 Dues	2.9% Increase	2018-2019 Dues	16.25% Increase	2019-2020 Dues
ALAMEDA	1,660,202	Urban	8,107	567	8,674	252	8,926	1,450	10,376
ALPINE	1,154	Rural	840	59	899	26	925	150	1,075
AMADOR	38,094	Rural	840	59	899	26	925	150	1,075
BUTTE	227,621	Suburban	2,548	178	2,726	79	2,805	456	3,261
CALAVERAS	45,157	Rural	840	59	899	26	925	150	1,075
COLUSA	22,098	Rural	840	59	899	26	925	150	1,075
CONTRA COSTA	1,149,363	Urban	8,107	567	8,674	252	8,926	1,450	10,376
DEL NORTE	27,221	Rural	840	59	899	26	925	150	1,075
EL DORADO	188,399	Suburban	2,548	178	2,726	79	2,805	456	3,261
FRESNO	1,007,229	Urban	7,163	501	7,664	222	7,887	1,282	9,169
GLENN	28,796	Rural	840	59	899	26	925	150	1,075
HUMBOLDT	136,002	Suburban	2,548	178	2,726	79	2,805	456	3,261
IMPERIAL	190,624	Suburban	2,548	178	2,726	79	2,805	456	3,261
INYO	18,577	Rural	840	59	899	26	925	150	1,075
KERN	905,801	Urban	6,105	427	6,532	189	6,722	1,092	7,814
KINGS	151,662	Suburban	2,548	178	2,726	79	2,805	456	3,261
LAKE	65,081	Rural	840	59	899	26	925	150	1,075
LASSEN	30,911	Rural	840	59	899	26	925	150	1,075
LOS ANGELES	10,283,729	Urban	8,107	567	8,674	252	8,926	1,450	10,376
MADERA	158,894	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIN	263,886	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIPOSA	18,129	Rural	840	59	899	26	925	150	1,075
MENDOCINO	89,299	Rural	840	59	899	26	925	150	1,075
MERCED	279,977	Suburban	2,548	178	2,726	79	2,805	456	3,261
MODOC	9,612	Rural	840	59	899	26	925	150	1,075
MONO	13,822	Rural	840	59	899	26	925	150	1,075
MONTEREY	443,281	Suburban	3,446	241	3,687	107	3,794	617	4,411
NAPA	141,294	Suburban	2,548	178	2,726	79	2,805	456	3,261
NEVADA	99,155	Rural	840	59	899	26	925	150	1,075
ORANGE	3,221,103	Urban	8,107	567	8,674	252	8,926	1,450	10,376
PLACER	389,532	Suburban	2,548	178	2,726	79	2,805	456	3,261
PLUMAS	19,773	Rural	840	59	899	26	925	150	1,075
RIVERSIDE	2,415,955	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SACRAMENTO	1,529,501	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN BENITO	57,088	Rural	840	59	899	26	925	150	1,075
SAN BERNARDINO	2,174,938	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN DIEGO	3,337,456	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN FRANCISCO	883,963	Urban	6,481	454	6,935	201	7,136	1,160	8,296
SAN JOAQUIN	758,744	Suburban	5,297	371	5,668	164	5,832	948	6,780
SAN LUIS OBISPO	280,101	Suburban	2,548	178	2,726	79	2,805	456	3,261
SAN MATEO	774,155	Urban	5,864	410	6,274	182	6,456	1,049	7,505
SANTA BARBARA	453,457	Suburban	3,399	238	3,637	105	3,742	608	4,350
SANTA CLARA	1,956,598	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SANTA CRUZ	276,864	Suburban	2,548	178	2,726	79	2,805	456	3,261
SHASTA	178,271	Suburban	2,548	178	2,726	79	2,805	456	3,261
SIERRA	3,207	Rural	840	59	899	26	925	150	1,075
SISKIYOU	44,612	Rural	840	59	899	26	925	150	1,075
SOLANO	439,793	Suburban	3,419	239	3,658	106	3,764	612	4,376
SONOMA	503,332	Suburban	3,879	272	4,151	120	4,271	694	4,965
STANISLAUS	555,624	Suburban	4,090	286	4,376	127	4,503	732	5,235
SUTTER	97,238	Rural	840	59	899	26	925	150	1,075
TEHAMA	64,039	Rural	840	59	899	26	925	150	1,075
TRINITY	13,635	Rural	840	59	899	26	925	150	1,075
TULARE	475,834	Suburban	3,323	233	3,556	103	3,659	595	4,254
TUOLUMNE	54,740	Rural	840	59	899	26	925	150	1,075
VENTURA	859,073	Urban	6,591	461	7,052	205	7,257	1,179	8,436
YOLO	221,270	Suburban	2,548	178	2,726	79	2,805	456	3,261
YUBA	74,727	Rural	840	59	899	26	925	150	1,075
TOTAL	39,809,693		\$187,012	\$13,091	\$200,103	\$5,803	\$205,906	\$33,452	\$239,358

ALTERNATIVE DUES PROPOSAL WITH LARGE COUNTY TIERS

County	Population Projection 2020	Population for Dues Calculation	Base Dues	Per Capita Dues	Large County Tier Dues	Base + Per Capita Dues + Tiers	FY 19/20 Dues	FY 20/21 Dues Difference
Alameda	1,703,660	700,000	\$1,075	\$8,650	\$2,000	\$11,725	\$10,376	\$1,349
Alpine	1,107	1,107	\$1,075	\$14	\$0	\$1,089	\$1,075	\$14
Amador	37,560	37,560	\$1,075	\$464	\$0	\$1,539	\$1,075	\$464
Butte	230,701	230,701	\$1,075	\$2,851	\$0	\$3,926	\$3,261	\$665
Calaveras	44,953	44,953	\$1,075	\$555	\$0	\$1,630	\$1,075	\$555
Colusa	23,144	23,144	\$1,075	\$286	\$0	\$1,361	\$1,075	\$286
Contra Costa	1,178,639	700,000	\$1,075	\$8,650	\$1,000	\$10,725	\$10,376	\$349
Del Norte	26,997	26,997	\$1,075	\$334	\$0	\$1,409	\$1,075	\$334
El Dorado	189,576	189,576	\$1,075	\$2,343	\$0	\$3,418	\$3,261	\$157
Fresno	1,033,095	700,000	\$1,075	\$8,650	\$1,000	\$10,725	\$9,169	\$1,556
Glenn	29,691	29,691	\$1,075	\$367	\$0	\$1,442	\$1,075	\$367
Humboldt	137,711	137,711	\$1,075	\$1,702	\$0	\$2,777	\$3,261	(\$484)
Imperial	195,814	195,814	\$1,075	\$2,420	\$0	\$3,495	\$3,261	\$234
Inyo	18,724	18,724	\$1,075	\$231	\$0	\$1,306	\$1,075	\$231
Kern	930,885	700,000	\$1,075	\$8,650	\$0	\$9,725	\$7,814	\$1,911
Kings	154,549	154,549	\$1,075	\$1,910	\$0	\$2,985	\$3,261	(\$276)
Lake	65,302	65,302	\$1,075	\$807	\$0	\$1,882	\$1,075	\$807
Lassen	30,626	30,626	\$1,075	\$378	\$0	\$1,453	\$1,075	\$378
Los Angeles	10,345,036	700,000	\$1,075	\$8,650	\$3,000	\$12,725	\$10,376	\$2,349
Madera	162,990	162,990	\$1,075	\$2,014	\$0	\$3,089	\$3,261	(\$172)
Marin	265,152	265,152	\$1,075	\$3,277	\$0	\$4,352	\$3,261	\$1,091
Mariposa	18,031	18,031	\$1,075	\$223	\$0	\$1,298	\$1,075	\$223
Mendocino	90,175	90,175	\$1,075	\$1,114	\$0	\$2,189	\$1,075	\$1,114
Merced	286,746	286,746	\$1,075	\$3,543	\$0	\$4,618	\$3,261	\$1,357
Modoc	9,422	9,422	\$1,075	\$116	\$0	\$1,191	\$1,075	\$116
Mono	13,986	13,986	\$1,075	\$173	\$0	\$1,248	\$1,075	\$173
Monterey	454,599	454,599	\$1,075	\$5,618	\$0	\$6,693	\$4,411	\$2,282
Napa	143,800	143,800	\$1,075	\$1,777	\$0	\$2,852	\$3,261	(\$409)
Nevada	99,548	99,548	\$1,075	\$1,230	\$0	\$2,305	\$1,075	\$1,230
Orange	3,260,012	700,000	\$1,075	\$8,650	\$3,000	\$12,725	\$10,376	\$2,349
Placer	397,368	397,368	\$1,075	\$4,910	\$0	\$5,985	\$3,261	\$2,724
Plumas	19,374	19,374	\$1,075	\$239	\$0	\$1,314	\$1,075	\$239
Riverside	2,500,975	700,000	\$1,075	\$8,650	\$2,000	\$11,725	\$10,376	\$1,349
Sacramento	1,572,886	700,000	\$1,075	\$8,650	\$2,000	\$11,725	\$10,376	\$1,349
San Benito	60,067	60,067	\$1,075	\$742	\$0	\$1,817	\$1,075	\$742
San Bernardino	2,230,602	700,000	\$1,075	\$8,650	\$2,000	\$11,725	\$10,376	\$1,349
San Diego	3,398,672	700,000	\$1,075	\$8,650	\$3,000	\$12,725	\$10,376	\$2,349
San Francisco	905,637	700,000	\$1,075	\$8,650	\$0	\$9,725	\$8,296	\$1,429
San Joaquin	782,662	700,000	\$1,075	\$8,650	\$0	\$9,725	\$6,780	\$2,945
San Luis Obispo	284,126	284,126	\$1,075	\$3,511	\$0	\$4,586	\$3,261	\$1,325
San Mateo	792,271	700,000	\$1,075	\$8,650	\$0	\$9,725	\$7,505	\$2,220
Santa Barbara	460,444	460,444	\$1,075	\$5,690	\$0	\$6,765	\$4,350	\$2,415
Santa Clara	2,011,436	700,000	\$1,075	\$8,650	\$2,000	\$11,725	\$10,376	\$1,349

Santa Cruz	282,627	282,627	\$1,075	\$3,492	\$0	\$4,567	\$3,261	\$1,306
Shasta	180,198	180,198	\$1,075	\$2,227	\$0	\$3,302	\$3,261	\$41
Sierra	3,129	3,129	\$1,075	\$39	\$0	\$1,114	\$1,075	\$39
Siskiyou	44,186	44,186	\$1,075	\$546	\$0	\$1,621	\$1,075	\$546
Solano	453,784	453,784	\$1,075	\$5,607	\$0	\$6,682	\$4,376	\$2,306
Sonoma	515,486	515,486	\$1,075	\$6,370	\$0	\$7,445	\$4,965	\$2,480
Stanislaus	572,000	572,000	\$1,075	\$7,068	\$0	\$8,143	\$5,235	\$2,908
Sutter	101,418	101,418	\$1,075	\$1,253	\$0	\$2,328	\$1,075	\$1,253
Tehama	65,119	65,119	\$1,075	\$805	\$0	\$1,880	\$1,075	\$805
Trinity	13,389	13,389	\$1,075	\$165	\$0	\$1,240	\$1,075	\$165
Tulare	487,733	487,733	\$1,075	\$6,027	\$0	\$7,102	\$4,254	\$2,848
Tuolumne	53,976	53,976	\$1,075	\$667	\$0	\$1,742	\$1,075	\$667
Ventura	869,486	700,000	\$1,075	\$8,650	\$0	\$9,725	\$8,436	\$1,289
Yolo	229,023	229,023	\$1,075	\$2,830	\$0	\$3,905	\$3,261	\$644
Yuba	79,087	79,087	\$1,075	\$977	\$0	\$2,052	\$1,075	\$977
TOTAL	40,549,392	17,533,438	\$62,350	\$216,664	\$21,000	\$300,014	\$239,354	\$60,660

VARIABLES FOR LARGE COUNTY TIER PROPOSAL

Base Amount:	\$1,075
Max Population:	700,000
Large County Tiers	
1,000,000	\$1,000
1,500,000	\$2,000
3,000,000	\$3,000
Total Budget	\$300,014

CALAFCO Daily Legislative Reportas of Tuesday, September 24, 2019

AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 1/30/2019

Last Amended: 7/5/2019

Status: 9/13/2019-Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

Summary:

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

Position: Watch

CALAFCO Comments: As gut an amended, this bill appears to have significant impact to CALAFCO in the uses of member LAFCO and certain Associate Member dues being limited to only direct educational activities.

CALAFCO will engage with stakeholders and the author's office as the bill moves forward in the next legislative year.

AB 508 (Chu D) Drinking water: consolidation and extension of service: domestic wells.

Current Text: Enrollment: 9/11/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 8/12/2019

Status: 9/11/2019-Enrolled and presented to the Governor at 3:30 p.m.

Summary:

The California Safe Drinking Water Act requires the state board, before ordering consolidation or extension of service, to, among other things, obtain written consent from any domestic well owner for consolidation or extension of service. The act makes any domestic well owner within the consolidation or extended service area that does not provide written consent ineligible, until consent is provided, for water-related grant funding, as specified. The act also requires the state board, before ordering consolidation or extension of service, to make a finding that consolidation of the receiving water system and subsumed water system or extension of service to the subsumed water system is appropriate and technically and economically feasible. The act defines "subsumed water system" for these purposes as the public water system, state small water system, or affected residences consolidated into or receiving service from the receiving water system. This bill would modify the provision that authorizes consolidation or extension of service if a disadvantaged community is reliant on a domestic well described above to instead authorize consolidation or extension of service if a disadvantaged community, in whole or in part, is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill allows the SWRCB to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to initiate the process. It allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate.

AB 600 (Chu D) Local government: organization: disadvantaged unincorporated communities.

Current Text: Enrolled: 9/17/2019 [html](#) [pdf](#)

Introduced: 2/14/2019

Last Amended: 9/4/2019

Status: 9/12/2019-Senate amendments concurred in. To Engrossing and Enrolling.

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedure

for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community into the subject city has been filed. This bill would clarify that the prohibition on approving an annexation involving a disadvantaged unincorporated community, as described above, applies to the annexation of territory greater than 10 acres, or smaller as determined by commission policy. The bill would also provide that the existing approval prohibition and the exemptions to the application requirement apply to the annexation of two or more contiguous areas that take place within 5 years of each other and that are individually less than 10 acres but cumulatively more than 10 acres.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: UPDATE: As amended September 4, 2019, the bill removes all of CALAFCO's direct policy concerns. The bill now provides clean up and clarification to 8(B) and 8(B)(i) by adding "disadvantaged" to unincorporated community; and prohibits the approval of an annexation of two or more contiguous areas that take place within 5 years of each other and are individually less than 10 acres but cumulatively greater than 10 acres. As a result of the changes in this version of the bill, CALAFCO has removed our opposition. We do, however, remain concerned over the lack of a holistic approach by the Legislature to address service delivery issues to DUCs and the definition of a DUC.

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

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

Introduced: 2/21/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019)(May be acted upon Jan 2020)

Summary: This bill would require the Strategic Growth Council (SGC), 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 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. We were unsuccessful in getting the \$1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget. As this is a new Governor we are unsure about his willingness to make General Fund appropriations for items not in the budget.

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: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/14/2019)(May be acted upon Jan 2020)

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

CALAFCO Comments: This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided.

AB 1628 (Rivas, Robert D) Environmental justice.

Current Text: Enrollment: 9/18/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 8/26/2019

Status: 9/18/2019-Enrolled and presented to the Governor at 3:30 p.m.

Summary: Current law requires the Office of Planning and Research to be the coordinating agency in state government for environmental justice programs. Current law requires the Director of State Planning and Research to, among other things, coordinate its efforts and share information regarding environmental justice programs with various federal agencies. Existing law defines "environmental justice" for these purposes to mean the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. This bill would revise the definition of "environmental justice" to also include the meaningful involvement of people of all races, cultures, incomes, and national origins with respect to those same actions, and would provide that "environmental justice" includes, among other things, the availability of a healthy environment for all people.

Position: Watch

Subject: Environmental Justice

CALAFCO Comments: Amended on August 26 to reflect work between CALAFCO, the author and sponsors of the bill, the definition change in section 56668 now contains a definition specific to the context of the section rather than the same definition contained in 30107.3 of the Public Resources Code (which has been amended via this bill). It expands the scope of the definition of environmental justice (as one of the factors to be considered in the review of a proposal) to include national origins and a reference to the effects of pollution not being disproportionately borne by any particular population or community.

AB 1751 (Chiu D) Water and sewer system corporations: consolidation of service.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 7/5/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Summary:

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

Position: Watch

Subject: Water

CALAFCO Comments: This bill allows for water (public or state small) or sewer systems corps to file an application for consolidation with the SWRCB.

AB 1822 (Committee on Local Government) Local Government: omnibus.

Current Text: Chaptered: 6/26/2019 [html](#) [pdf](#)

Introduced: 3/11/2019

Last Amended: 4/8/2019

Status: 6/26/2019-Approved by the Governor. Chaptered by Sec of State - Chapter 20, Statutes of 2019.

Summary:

Current law requires a commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. Current law defines "sphere of influence" to mean a plan for the probable physical boundaries and service area of a local agency. Current law defines the term "service" for purposes of the act to mean a specific governmental activity established within, and as a part of, a general function of the special district, as specified. This bill would revise the definition of the term "service" for these purposes to mean a specific governmental activity established within, and as a part of, a function of the local agency.

Position: Sponsor

Subject: LAFCo Administration

CALAFCO Comments: This is the annual Omnibus bill.

SB 272 (Morrell R) Fire Protection District Law of 1987.

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/4/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was GOV. & F. on 2/21/2019)(May be acted upon Jan 2020)

Summary:

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

Position: Watch

CALAFCO Comments: As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133.

CALAFCO will retain a Watch position.

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

Current Text: Amended: 6/25/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 6/25/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

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: Support

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: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/7/2019

Status: 7/10/2019-Approved by the Gov. Chaptered by Secretary of State. Chapter 78, Statutes of 2019

Summary:

The Mitigation Fee Act, among other things, requires fees for water or sewer connections, or capacity charges imposed by a local agency to not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. The Mitigation Fee Act defines the term "fee" for these purposes. This bill would revise the definition of "fee" to mean a fee for the physical facilities necessary to make a water connection or sewer connection, and that the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection.

Position: Neutral

Subject: CKH General Procedures

CALAFCO Comments: UPDATE AS OF THE 4/11/19 AMENDMENTS: These amendments address all of our concerns and the bill now only addresses fees.

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: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/19/2019)(May be acted upon Jan 2020)

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: Support

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: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/3/2019)(May be acted upon Jan 2020)

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: Support

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: Amended: 5/6/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/6/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

Summary:

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on January 1, 2025.

Position: Watch

Subject: Municipal Services, Water

CALAFCO Comments: This bill amends the water code to allow a Native American tribe to sell/deliver water to a water district (as defined in the water code section 20200). The bill sunsets on January 1, 2025.

SB 379 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Gov. Chaptered by Secretary of State. Chapter 74, Statutes of 2019

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: Support

Subject: LAFCo Administration

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

SB 380 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Gov. Chaptered by Secretary of State. Chapter 75, Statutes of 2019.

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: Support

Subject: LAFCo Administration

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

SB 381 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Gov. Chaptered by Secretary of State. Chapter 76, Statutes of 2019.

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: Support

Subject: LAFCo Administration

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

AB 134 (Bloom D) Safe Drinking Water Restoration.

Current Text: Amended: 5/20/2019 [html](#) [pdf](#)

Introduced: 12/5/2018

Last Amended: 5/20/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

Summary:

Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch

Subject: Water

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

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/22/2019

Status: 7/10/2019-Approved by the Gov. Chaptered by Secretary of State - Chapter 69, Statutes of 2019.

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 current act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. Violation of regulations adopted by the board is a misdemeanor. 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 948 (Kalra D) Coyote Valley Conservation Program.

Current Text: Enrollment: 9/9/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 8/12/2019

Status: 9/9/2019-Enrolled and presented to the Governor at 3:30 p.m

Summary: Would authorize the authority to establish and administer the Coyote Valley Conservation Program to address resource and recreational goals of the Coyote Valley, as defined. The bill would authorize the authority to collaborate with state, regional, and local partners to help achieve specified goals of the program. The bill would authorize the authority to, among other things, acquire and dispose of interests and options in real property. The bill would require a proponent or party to a certain proposed development project within Coyote Valley to provide notice to the authority of the proposed project, and would authorize the authority to provide analysis of the environmental values and potential impacts of the proposed project. The bill would require Coyote Valley to be acknowledged as an area of statewide significance in local planning documents developed or updated on or after January 1, 2020, affecting land use within Coyote Valley. To the extent that this bill would impose new duties on local entities, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Support

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

Current Text: Amended: 3/25/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Last Amended: 3/25/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was GOV. & F. on 5/22/2019)(May be acted upon Jan 2020)

Summary: Would prohibit, on and after January 1, 2020, the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection, including medical response and emergency services, and parks and recreation services or facilities.

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 1457 (Reves D) Omnitrans Transit District.

Current Text: Amended: 5/24/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/24/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/25/2019)(May be acted upon Jan 2020)

Summary:

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

Position: Neutral

CALAFCO Comments: This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments.

SB 654 (Moorlach R) Local government: planning.

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

Introduced: 2/22/2019

Status: 3/14/2019-Referred to Com. on RLS.

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.

SB 780 (Committee on Governance and Finance) Local Government Omnibus Act of 2019.

Current Text: Chaptered: 9/20/2019 [html](#) [pdf](#)

Introduced: 2/28/2019

Last Amended: 8/12/2019

Status: 9/20/2019-Approved by the Gov. Chaptered by Sec of State. Chapter 329, Statutes of 2019. **Summary:**

Current law requires the governing body of a public agency, within 70 days after the commencement of the agency's legal existence, to file with the Secretary of State, on a form prescribed by the secretary, and also with the county clerk of each county in which the public agency maintains an office, a specified statement of facts about the agency. Current law requires this information to be updated within 10 days of a change in it. Current law requires the Secretary of State and each county clerk to establish and maintain an indexed Roster of Public Agencies that contains this information. This bill would instead require the Secretary of State and each county clerk to establish and maintain an indexed Registry of Public Agencies containing the above-described information.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee's annual Omnibus bill.



**TULARE COUNTY
LOCAL AGENCY FORMATION COMMISSION**

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

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

ALTERNATES:
*Eddie Valero
Manny Gomes
Carlton Jones*

EXECUTIVE OFFICER:
Ben Giuliani

May 29, 2019

Terra Bella Sewer Maintenance District
c/o Tulare County Resource Management Agency
5961 S. Mooney Blvd
Visalia, CA 93277

Re: Extraterritorial Service Agreement No. 2019-02 (Terra Bella SMD/Setton Pistachios)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on May 29th, 2019, (ESA No. 2019-02), 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 Terra Bella SMD to provide municipal sewer service to an existing processing facility (to be expanded) on APNs 320-130-005, -011, -015, -024, -025 and 320-355-032.

Annexation of the same property is conditioned to be applied for annexation to LAFCO within one year of this approval.

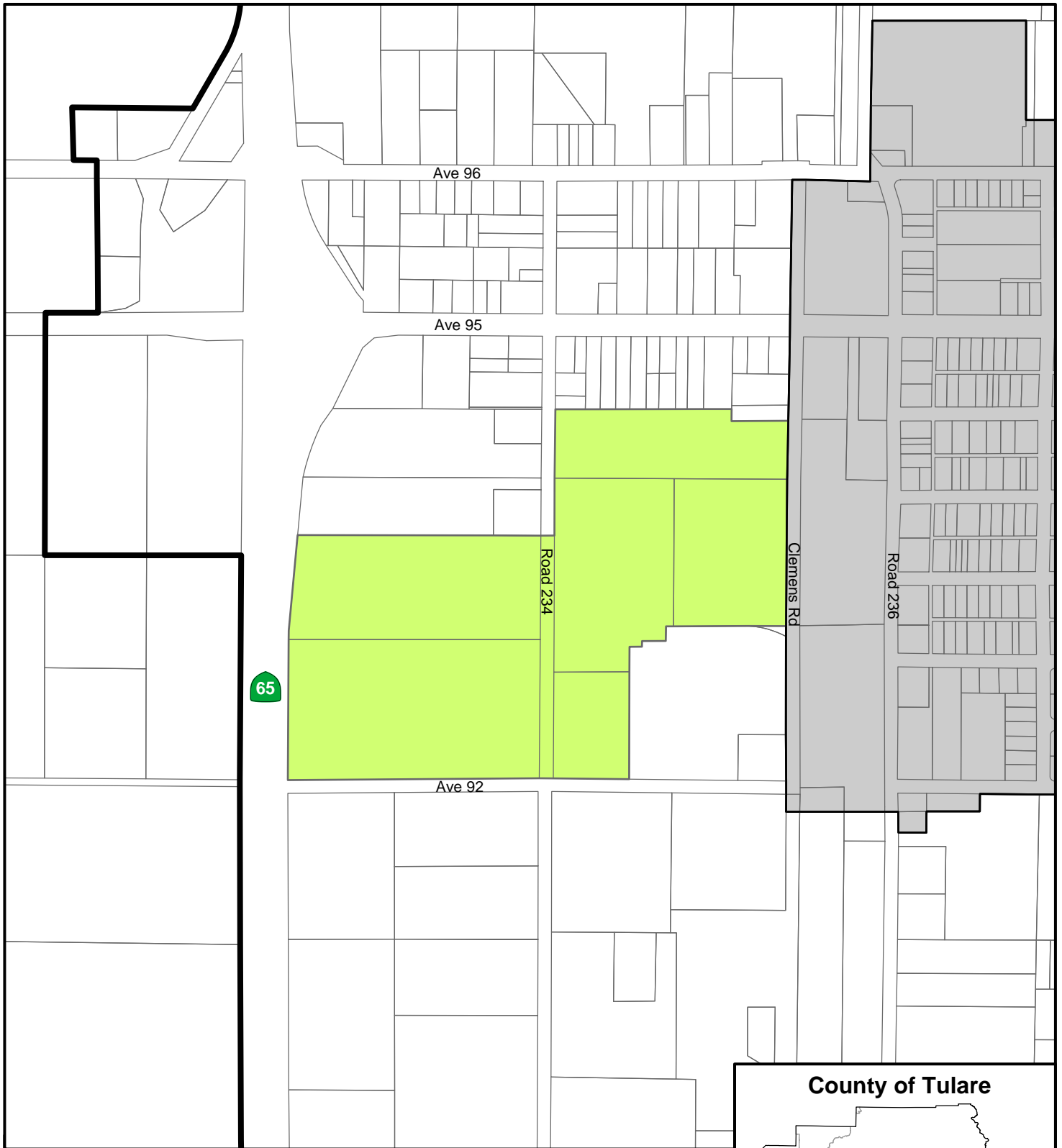
Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.





Sincerely,

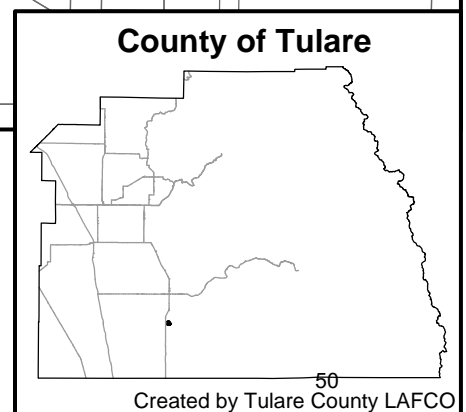
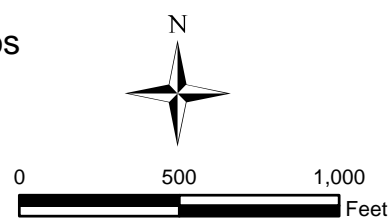
Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc:
Setton Pistachios of Terra Bella, Inc.

ESA 2019-02 Terra Bella SMD/Setton



-  ESA 2019-2 Setton Pistachios
-  Terra Bella SMD
-  Sphere of Influence
-  Parcels





**TULARE COUNTY
LOCAL AGENCY FORMATION COMMISSION**

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

COMMISSIONERS:
*Pete Vander Poel, Chair
Julie Allen, V.Chair
Martha Flores
Dennis Townsend
Pam Kimball*

ALTERNATES:
*Eddie Valero
Manny Gomes
Carlton Jones*

EXECUTIVE OFFICER:
Ben Giuliani

September 19, 2019

City of Porterville
291 N. Main St.
Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2019-03 (City of Porterville/Tapia)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on September 19th, 2019, (ESA No. 2019-03), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Policy C-6. The agreement permits the City of Porterville to provide domestic water service to existing development on APN 263-162-038 (2142 E Springville Ave).

Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc:
Ramon Ayala Tapia

City of Porterville ESA 2018-03



Legend

- Porterville
- SOI
- Parcels
- ★ ESA

0 700 1,400 Feet

52

A compass rose with a central circle and four points labeled N (North), S (South), E (East), and W (West).