



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

LAFCO MEETING AGENDA
May 11, 2016 @ 2:00 P.M.
BOARD OF SUPERVISORS CHAMBERS
COUNTY ADMINISTRATIVE BUILDING
2800 West Burrel Avenue
Visalia CA 93291

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

ALTERNATES:
*Pete Vander Poel
Craig Vejvoda
Dennis Mederos*

EXECUTIVE OFFICER:
Ben Giuliani

- I. **Call to Order**
- II. **Approval of Minutes from April 6, 2016 (Pages 1-4)**
- III. **Public Comment Period**

At this time, members of the public may comment on any item not appearing on the agenda and that is within the scope of matters considered by the Commission. Under state law, matters presented under this item cannot be discussed or acted upon by the 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. **LAFCO Case# 1522b Reorganization of the Deer Creek SWD Protest (Pages 5-10)**
[No Public Hearing].....Recommended Action: Approval

On January 20th, 2016, Tulare County LAFCO approved the annexation of certain territory to the Deer Creek Storm Water District. As a result of written protests being received during the public comment period, a protest hearing was held on February 24, 2016. The protest results have been continued until completion of the reconsideration process.

- 2. **Legislative Letter (Pages 11-20)**
[No Public Hearing].....Recommended Action: Approval

CALAFCO has requested that individual county LAFCOs take an oppose position on SB 1318 (Wolk). Enclosed is a template letter from CALAFCO and a legislative analysis of the bill.

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.

V. Executive Officer's Report

1. Draft Policy A-5 (Pages 21-22)

Enclosed is a draft policy amendment which would give LAFCO greater flexibility to respond to requested actions regarding legislation.

2. Legislative Update (Pages 23-34)

Enclosed is information on the various state bills that are being tracked by CALAFCO.

3. City Selection Committee (No Page)

Cam Hamilton from the City of Porterville was selected to serve another term as a City representative to LAFCO. The term runs from 5/2/2016 to 5/4/2020.

4. Upcoming Projects (No Page)

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

VI. Correspondence

There are no items.

VII. Other Business

1. Commissioner Report (No Page)

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

VIII. Setting Time and Place of Next Meeting

1. June 1, 2016 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building.

IX. Adjournment

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

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
Summary Minutes of the Meeting
April 6, 2016

Members Present: Allen, Hamilton, Ishida, Mendoza

Members Absent: Worthley

Alternates Present: Mederos, Vander Poel

Alternates Absent: Vejvoda

Staff Present: Giuliani, Blythe

Counsel Present: Tennenbaum

I. Call to Order

Chair Mendoza called the meeting to order at 2:01 p.m.

II. Approval of the January 20, 2016 Meeting Minutes:

Upon motion by Commissioner Vander Poel and seconded by Commissioner Allen with Commissioner Hamilton abstaining, the Commission unanimously approved the minutes of March 2, 2016.

III. Public Comment Period

Chair Mendoza opened and closed the Public Comment Session at 2:02 p.m. There were no public comments.

IV. New Action Items

1. LAFCO Case #1522b Deer Creek SWD Annexation Reconsideration

EO Giuliani stated that there were two written reconsideration requests, filed by J.G. Boswell and Kings County Canal Company, requesting amendments to the Deer Creek SWD Annexation to remove the Homeland/Lakeland Canal, Lateral A, Lateral B and land owned by Kings County Canal Company from the annexation. EO Giuliani presented three options to the Commission.

The public hearing was opened at 2:27 p.m.

Aubrey Mauritsen, representing Kings County Canal Company and Walter Bricker, Kings County Canal Company spoke in support of the reconsideration request.

Matt Hurley, Deer Creek Storm Water District, spoke in opposition to the reconsideration request.

Following questions and discussion, the public hearing was closed at 3:09 p.m.

Commissioner Allen moved for disapproval of the reconsideration. For lack of a second, the motion failed.

Upon motion by Commissioner Vander Poel and seconded by Commissioner Ishida with Commissioner Allen in dissent, the Commissioners approved the reconsideration

request to amend the approved annexation resolution by removing the Homeland/Lakeland Canal, Lateral A and Lateral B from the annexation (option #3).

2. LAFCO Case# 1522b Reorganization of the Deer Creek SWD Protest

EO Giuliani stated that due to the prior motion on action item #1, the Deer Creek SWD protest results would need to be continued until the next Commission meeting.

Upon motion by Commissioner Vander Poel and seconded by Commissioner Vejvoda, the Commissioners unanimously approved that LAFCO Case #1522b Reorganization of the Deer Creek SWD protest results be continued until the next Commission meeting.

3. Alternate Public Member Appointment

EO Giuliani stated a selection committee, consisting of Commissioner Worthley and Commissioner Hamilton, was chosen to review and recommend a nominee for the position of LAFCO Alternate Member.

Upon motion by Commissioner Vander Poel and seconded by Commissioner Ishida, the Commissioners unanimously approved Dennis Mederos to serve as the Alternate Public Member.

*Commissioner Mederos excused himself from the meeting during Item # 3.

4. Adoption of the City of Exeter Municipal Service Review (MSR) Update

EO Giuliani stated that after working with city staff and reviewing new documents, the City of Exeter's MSR was updated. EO Giuliani asked Commissioners to take action and approve the adoption of the City of Exeter MSR Update.

Upon motion by Commissioner Allen and seconded by Commissioner Ishida, the Commissioners unanimously approved the Adoption of the City of Exeter Municipal Service Review Update.

5. City of Exeter Sphere of Influence (SOI) Update

EO Giuliani presented the proposed Exeter SOI Update.

Upon motion by Commissioner Allen and seconded by Commissioner Ishida, the Commissioners unanimously approved the City of Exeter SOI Update.

6. 2016/2017 Preliminary Budget and Work Program

EO Giuliani presented the 2016/17 Preliminary Budget and Work Program to the Commission and stated LAFCO is required to adopt its preliminary budget by May 1st and its final budget by June 15th of each year.

Upon motion by Commissioner Allen and seconded by Vander Poel with Commissioner Ishida in dissent, the Commissioners approved the 2016/2017 Preliminary Budget and Work Program and designated \$50,000 from reserve funding to offset city/county.

7. Cancel or Move May 4th Meeting

EO Giuliani stated that due to a new 30-day reconsideration period for the amended the Deer Creek annexation, the May 4th LAFCO meeting would have to be moved to May

11th to consider the protest hearing results or the protest hearing results would be placed on the June agenda.

Upon motion by Commissioner Vander Poel and seconded by Commissioner Allen, the Commissioners unanimously approved May 11, 2016 for the next Commission meeting date.

V. Executive Officer's Report

1. ESA 2016-01 (Porterville)

EO Giuliani stated he had approved one ESA between the City of Porterville and single parcel owner for the provision of domestic water.

2. Legislative Update

EO Giuliani highlighted specific state bills that are being closely watched by CALAFCO. CALAFCO requested that county LAFCOs send letters of opposition to SB 1318 (Wolk) but the request did not come in time to make the April agenda. EO Giuliani proposed bringing a draft policy to the Commission that would provide better flexibility to respond to requests regarding legislative positions.

3. Upcoming Projects

EO Giuliani stated that at the May meeting the protest results for the Deer Creek annexation and the draft policy regarding legislative positions would be presented.

VI. Correspondence

EO Giuliani stated the CALAFCO Quarterly Report was included in the agenda and the next Annual Conference would take place in Santa Barbara.

VI. Setting Time and Place of Next Meeting

The next meeting will be held May 11, 2016 in the Board of Supervisors Chambers in the County Administration Building.

VI. Adjournment

The meeting was adjourned at 3:58 p.m.

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**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
PROTEST HEARING REPORT**

May 11, 2016

LAFCO Case # 1522b, Deer Creek Storm Water District Annexation

- PROPOSAL:** The Commission approved a request submitted by Deer Creek Storm Water District to annex certain territory to the Deer Creek SWD on January 20th, 2016 (Resolution 16-003 – attached). The boundaries were amended by the Commission.
- LOCATION:** Roughly bounded by Kern County to the south, Kings County to the west, Road 128 (the westerly boundary of Delano-Earlimart Irrigation District) to the east and the Avenue 40 alignment, SR-43 and Avenue 120 to the north. *(Figure 1)*
- DESCRIPTION:** The annexation consists of about 35,600 acres in 5 areas to the southwest, southeast, northeast and north of the existing district. The purpose of the annexation is primarily for expanding storm water services and secondarily for including uncovered land into a potential Groundwater Sustainability Agency (GSA).
- STATUS:** Protests were received before and during the protest hearing on February 24th, 2016. Additionally, during the 30 day reconsideration period two requests for reconsideration were filed. Due to the filing of the reconsideration requests the protest results could not be acted upon until after the Commission acted upon the reconsideration requests at the April 6th, 2016 meeting.
- CONSENT:** The reorganization was determined to be inhabited and consent was not received from all property owners and registered voters. Therefore, the protest rules set forth in Government Code Sections 57075(a) and 57078(b) shall apply.
- RESULTS:** A protest hearing was held before the Executive Officer on February 24th, 2016. Protests were received from landowners representing 0.19% of the land value within the annexation area. No protests were received from registered voters.
- In accordance with GC §57075(a)(2), the Commission must adopt a resolution making a finding regarding the value of written protests filed and not withdrawn for an inhabited change of organization and take the following action:
- 1) Order the change of organization or reorganization if written protest is filed and not withdrawn by less than 25% of registered

voters and 25% of owners of land who own less than 25% of the total assessed value of land within the annexation area.

RECOMMENDATION:

That your Commission adopt the attached resolution, which finds that written protest were filed and not withdrawn by less than 25% of registered voters and less than 25% of owners of land who own less than 25% of the assessed value of land within the annexation area and order the change of organization without an election.

ATTACHMENTS:

Resolution
Figure 1 – Annexation Map

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

In the Matter of the Protest Hearing for)
LAFCO Case # 1522b Deer Creek)
Storm Water District Annexation)

RESOLUTION NO. 16-00X

WHEREAS, this action is being taken pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, the Local Agency Formation Commission of County of Tulare adopted Resolution No. 16-003 on January 20, 2016, making determinations and approving the proposed annexation described in Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the reorganization was determined to be inhabited, meaning that there are 12 registered voters or more residing in the territory to be annexed. Therefore, the protest rules set forth in Government Code Sections 57075(a) and 57078(b) shall apply; and

WHEREAS, a public hearing on this annexation was called for and held by the Executive Officer of this Commission on February 24, 2016 at the time and place for which notice was given; and

WHEREAS, written protests were filed and not withdrawn by land owners representing 0.22% of the total assessed value of land within the annexation area and no protests were received from registered voters residing within the annexation area; and

WHEREAS, the annexation was subject to a reconsideration request which resulted with the Commission removing property representing 0.03% of the protest value from the annexation resulting in 0.19% of the total assessed value of land being under protest; and

WHEREAS, pursuant to Government Code section 57075(a)(3), if written protests have been filed and not withdrawn by owners of land who own less than 25% of the total assessed value of land within the affected territory and less than 25% of the registered voters residing within the annexation area, the Commission shall order the change of organization or reorganization.

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

1. The change of organization referred to as LAFCO Case #1522b, Deer Creek Storm Water District Annexation, is hereby ordered without an election.

The foregoing resolution was adopted upon motion of Commissioner _____ and seconded by Commissioner _____, at a regular meeting held on this 11th day of May, 2016, by the following vote:

AYES:

NOES:

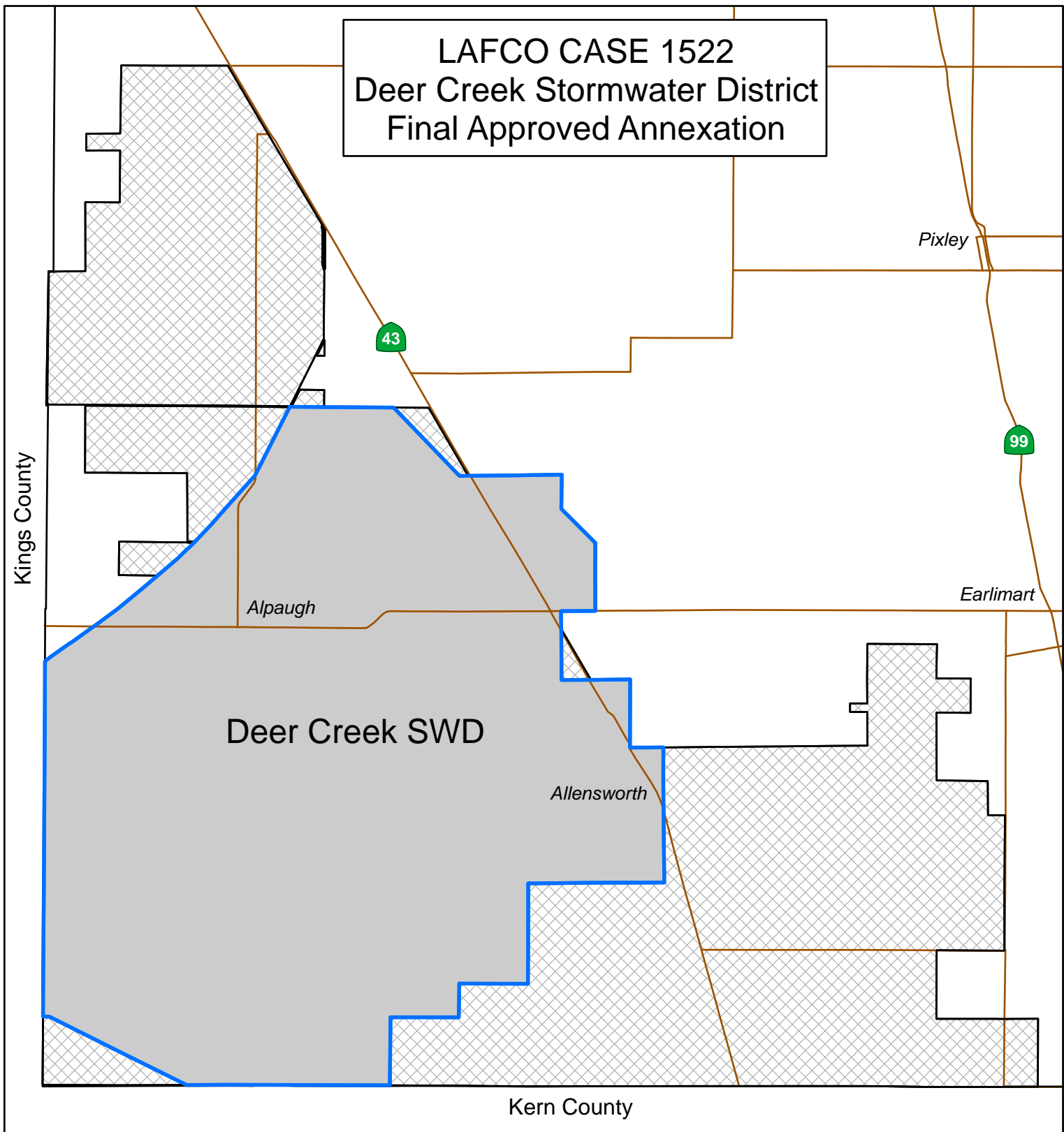
ABSTAIN:

PRESENT:




ABSENT:

Benjamin Giuliani, Executive Officer

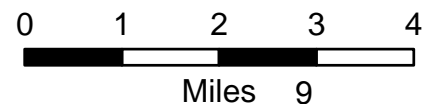
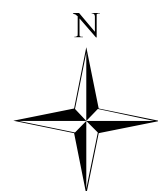
LAFCO CASE 1522
Deer Creek Stormwater District
Final Approved Annexation



Legend

-  Deer Creek SWD
-  Approved Annexation
-  Major Roads

Approved Annexation Area
4/6/16



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May 11, 2016

Honorable Ricardo Lara, Chair
Senate Committee on Appropriations
California State Senate
State Capitol, Room 2206
Sacramento, CA 95814

RE: OPPOSITION to SB 1318 (Wolk) as amended April 12, 2016

Dear Chair Lara:

The Tulare County Local Agency Formation Commission (LAFCo) has been tracking SB 1318 (Wolk), and based on the amendments of April 12, 2016, we are opposed to the bill. The California Association of Local Agency Formation Commissions (CALAFCo) and LAFCos are aware of and concerned about the disparity of local public services, especially for residents and properties located within disadvantaged unincorporated communities (DUCs). All Californians deserve adequate and safe drinking water and wastewater facilities. While we support the author's intent, we strongly believe this bill does not address the source of the problem, and in fact creates a host of additional problems and unintended consequences.

One of our primary concerns is that the outcome of this legislation does not address the root causes of the lack of acceptable drinking water and wastewater facilities to the DUCs, which are infrastructure deficiencies and a lack of operational and maintenance funding. Instead, the bill and its subsequent amendments, all of which were hastily drafted and without the collective input of all stakeholders affected, propose unworkable solutions. The bill has a highly misplaced focus on the overall role of LAFCos rather than on solving the root issues of the problem.

In addition to the reasons noted above, other reasons for our opposition of the April 12, 2016 version of the bill include:

1. The new requirements found in Government Code Section (GCS) 56430(e)(2), requiring LAFCo to, every five years, conduct service reviews sufficient to have reviewed the entire county, extends LAFCo authority far beyond our current level. This precedent setting requirement means LAFCos will be reviewing entities who do not have a sphere of influence (SOI) adopted by LAFCo and whose boundaries and service areas are established by the California Public Utilities Commission. While legislative statute allows LAFCo to request information from certain private entities providing drinking water and private utilities, there is no statutory requirement for the entities to respond. Further, there is no

statutory authority for LAFCo to recommend or make adjustments to these entities' SOI.

2. The requirement for the Commission to adopt a plan regarding all identified DUCs in the County that lack safe drinking water or adequate wastewater services under proposed GCS 56340(g), places expectations on LAFCo that exceed our legislative and legal authority. Specifically, the requirement in section 56340(g)(1) that within two years of the plan's adoption, LAFCo is to "take any actions necessary to implement the plan, including sphere of influence updates, extensions of service, or changes of organization", could only currently apply to public agencies subject to LAFCo's legislative authority. Yet in many cases, inadequate services are provided by private companies or mutual water companies whom are not overseen by LAFCo. Further, LAFCo lacks the authority to direct cities, counties and special districts to implement a plan created by LAFCo. In addition, this requirement presumes LAFCos have the expertise to create plans for infrastructure design, buildout and cost.
3. The distinct lack of funding to fulfill these legislative mandates is a significant hurdle. First, the cost to LAFCo to conduct county-wide studies every five years is significant. Additionally, these studies require significant resources to complete. Next, the resources for LAFCo to complete the required "plan" go unmentioned. Finally, the resources needed for entities to implement the plan are also unidentified.

LAFCos are funded by their member agencies who are cities, counties and in 30 of the 58 LAFCos, independent special districts. These unfunded mandates will need to be paid for in some way, and since the bill does not identify funding sources, all 58 LAFCos will be forced to pass along these additional costs to their member agencies. The requirements under section 56340(e)(2) for LAFCos to conduct service reviews sufficient to have reviewed the entire territory of the county goes well beyond the city and independent special district focus of the existing service review requirements, and would constitute an expensive unfunded mandate upon the Commission with little added benefit to the citizens of the respective county.

To the degree LAFCo has adopted the plan required in section 56340(g), LAFCo is not in a position to seek infrastructure grants or sell bonds to install infrastructure improvements which actually lead to the provision of water and wastewater services. The bill fails to identify funding sources available to cities, independent special districts and private companies that construct and operate these critical public utilities.

4. The bill fails to identify the contents of the required plan referenced in GCS 56430(g)(1).
5. Proposed GCS 56430(g)(2) creates an inconsistent exception for protest proceedings which takes away property rights that have been long-established in governmental reorganizations in California. The residents of the DUC are afforded the right to file protests for Commission initiated boundary changes, but other residents living within a larger annexation boundary that are not part of the DUC would lose their right to protest being included in the annexation or reorganization.

Clearly, this legislation is attempting to address serious problems for DUCs, similar to the measures adopted through SB 244. However, there are obviously a substantial number of unintended consequences to the proposed bill. Again – the bill is not addressing the root cause of the lack of

drinking water and waste water services - but instead applies a misguided and misinformed focus on LAFCos, who are only one cog in a very large wheel.

The passage of Budget Trailer Bill SB 88 last year granted the State Water Resources Control Board (SWRCB) the authority to mandate consolidation of water systems. They have been hard at work the past nine months focusing on those areas that lack safe drinking water due to poor water quality. CALAFCO encourages the author and sponsor of SB 1318 to allow time for the process created less than a year ago to work before layering additional and highly unworkable requirements on top of that process.

We join CALAFCO in encouraging the author and sponsor to establish a collective dialogue with all affected stakeholders to discuss more reasonable and workable solutions. Further, we encourage them to establish dialogue between the SWRCB, existing service providers, DUCs and the local LAFCos in those areas in which specific problems have been identified, to discuss the unique circumstances and conditions that exist for that DUC and to determine if annexation or service extensions are a viable alternative.

We support CALAFCO's commitment to help find solutions to the disparities in service delivery to disadvantaged communities and their efforts to be a conversation partner to Senator Wolk, her staff, and the sponsor.

For all of the reasons noted above, the Tulare County LAFCo is opposed to SB 1318, and we thank you and your committee for considering our concerns. I am happy to answer any questions you may have.

Yours sincerely,

Rudy Mendoza
Chair - Tulare County LAFCo

cc: Members, Senate Appropriations Committee
Honorable Senator Lois Wolk
<>, Chief Consultant, Senate Appropriations Committee
Morgan Branch, Senate Republican Caucus Consultant
Pamela Miller, Executive Director, CALAFCO

BILL ANALYSIS SB 1318 (Wolk)

SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

SUBJECT: Local government: drinking water infrastructure or services: wastewater infrastructure or services

Existing law and this bill:

1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

a) Governs the procedures for the formation and change of organization of cities and special districts through a local agency formation commission (LAFCO).

b) Prohibits a LAFCO 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, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

2) This bill extends that prohibition to an annexation to a qualified special district. The bill would define "qualified special district" to mean a special district with more than 500 service connections that provides drinking water or wastewater services.

3) Existing law requires a LAFCO to develop and determine the sphere of influence of each city and each special district within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere.

4) This bill prohibits a LAFCO from approving a sphere of influence update that removes a disadvantaged community from a city's or special district's sphere of influence unless the commission makes a finding that removal of the community will result in improved service delivery to the community.

5) Existing law requires a LAFCO, in preparing and updating spheres of influence, to conduct a service review of the municipal services provided in the county or other area designated by the commission. Existing law authorizes the commission, in conducting the review, to assess various alternatives for improving efficiency and affordability of infrastructure and service delivery, as specified, and to include a review of whether the agencies under review are in compliance with the California Safe Drinking Water Act.

6) Where there exists a disadvantaged unincorporated community that lacks adequate drinking water and wastewater services and infrastructure within or contiguous with the subject sphere, this bill instead requires the LAFCO to make the assessment of alternatives and to include the safe drinking water review described above if the information is available from the State Water Resources Control Board (SWRCB) or other sources.

7) This bill, on or before January 1, 2022, and every 5 years thereafter, requires the LAFCO to conduct service reviews sufficient to have reviewed the entire territory of the county. The bill would require the commission to file a map of the county that identifies disadvantaged unincorporated communities that lack safe drinking water or adequate wastewater with the Office of Planning and Research (OPR), and requires OPR to post the map on its Internet Web site.

8) The bill additionally requires the LAFCO, within 2 years of identifying a disadvantaged unincorporated community that lacks safe drinking water or adequate wastewater services, to recommend a plan based on the alternatives analyzed and adopt any actions necessary to implement the plan, as specified.

9) Existing law establishes the Human Right to Water Act, which declares it is the "established policy of the state that every human being has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes."

Background

1) LAFCOs.

The Senate Governance and Finance Committee Analysis provided the following background on LAFCOs.

The Cortese-Knox-Hertzberg Act creates a local agency formation commission (LAFCO) in each county to control the boundaries of cities, county service areas, and most special districts. The courts repeatedly refer to LAFCOs as the Legislature's watchdog over boundary changes. To plan for the future boundaries and service areas of the cities and special districts, a LAFCO must adopt a policy document for each city and district called a sphere of influence. The LAFCOs' boundary decisions must be consistent with the spheres of influence of the affected cities or districts. Spheres must be updated at least every five years.

In order to determine spheres of influence, LAFCOs must periodically conduct a "municipal service review" (MSR) to inform their decisions about spheres of influence. MSRs must analyze and make determinations about seven topics:

Growth and population projections;

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including the water, sewer, and fire protection needs of disadvantaged unincorporated communities;

Agencies' financial abilities to provide services;

Opportunities for sharing facilities;

Accountability for community service needs;

The location and characteristics of any disadvantaged unincorporated communities; and

Other matters relating to effective or efficient services.

Local governments can only exercise their powers and provide services where LAFCO allows them to: within their boundaries (which are set by LAFCO), within their spheres of influence but outside their boundaries (with authorization by LAFCO), and outside their spheres to address a major threat to public health if the extension is consistent with LAFCO's policies.

The Legislature approved AB 402 (Dodd, Chapter 431, Statutes of 2015), which established a pilot program in Napa County and San Bernardino County that allowed the extension of services outside a local agency's sphere of influence to support existing or planned uses, so long as (1) an MSR has identified a service deficiency, (2) the extension of service will not result in growth inducing impacts or harm to agricultural lands, and (3) a sphere of influence change is not feasible.

LAFCOs, along with the planning agencies of cities and counties, are supposed to ensure that services are effectively and efficiently delivered to all communities throughout the state. Nevertheless, some communities continue to lack adequate public services, including safe drinking water and functioning wastewater systems. These communities are often poor and are located in the unincorporated area of a county. In some cases these "disadvantaged unincorporated communities" (DUCs) are remote and far from other communities with better public services; in others, a city may share a border with a DUC that has been excluded from its boundaries.

In recent years, the Legislature has taken several steps to try to address some of the service problems experienced by DUCs. SB 244 (Wolk, Chapter 513, Statutes of 2011) aimed to prevent cities from carving out DUCs by prohibiting annexations to a city of territory greater than 10 acres if a DUC is contiguous with the territory proposed for annexation, unless there is an application with the commission to annex the unincorporated area or if the residents of the affected territory oppose annexation. SB 244 also required LAFCOs to include in the MSR a description of the location and characteristics of any DUCs within or contiguous to the sphere of influence and to consider the water, sewer, or fire protection needs of DUCs within the sphere when considering updates. When conducting an MSR, LAFCOs can also assess options for governmental reorganizations or consolidations that improve the efficiency and affordability of service delivery and can review whether water systems in the area are in compliance with the Safe Drinking Water Act. Finally, SB 244 required cities and counties to review the water and fire service needs of DUCs in their general plans.

SB 244 made it easier for LAFCOs to identify boundary changes and governmental reorganizations necessary to fix water service problems faced by DUCs. Subsequent legislation-SB 88 (Committee on Budget and Fiscal Review, 2015)-took this effort a step further by authorizing the State Water Resources Control Board (SWRCB) to order a consolidation of neighboring water systems where it is economically feasible in order to address public health threats. To date, SWRCB has begun the consolidation process with two water systems in communities that border the city of Tulare.

Some advocates for disadvantaged unincorporated communities want to provide additional incentives for local governments to serve DUCs that lack safe drinking water or adequate wastewater service.

1) Water Quality Risks in Disadvantaged Communities.

As of January 2014, there were 7,642 public water systems in California classified into three different categories: 3,015 Community Water Systems serving communities with full-time residents; 1,489 Non-Transient Non-Community Water Systems serving the same non-residents at least six months per year (e.g., schools, places of work, and prisons); and 3,138 Transient Non-Community Water Systems serving non-residents at least 60 days per year (e.g., restaurants & campgrounds).

When larger systems exceed maximum contaminant levels, those problems are usually corrected promptly. In contrast, over time, small water systems, because of their small base of rate payers, are much less able to remain compliant with state drinking water standards. This is especially true when water system users include disadvantaged communities, defined as any community where the median household income is below 80% of the statewide median household income. This problem with small water systems experiencing the bulk of violations extends across water system categories.

In addition to the community systems where residents may have repeated long-term exposure to contaminants in impure water, many Non-Transient Non-Community systems include schools, where vulnerable populations may also get substantial repeated exposure to contaminants. In 2014, 68 schools or day-care facilities with their own water systems served contaminated water to more than 24,000 people.

As reported in a Senate Office of Research report, SWRCB's Drinking Water Division estimated that in 2014, there were 472 out-of-compliance drinking water systems serving more than 275,000 people. The Drinking Water Division believes that systems with ongoing issues are located predominantly in disadvantaged communities.

2) Example of What SB 1318 Aims to Address.

The Coachella Valley Water District (CVWD) has scores of communities within its boundaries that rely on groundwater contaminated with arsenic, Chrom 6, likely 123-TCP, and which are at risk of contamination from inadequately treated human waste. Most of these communities lack access to adequate wastewater services, relying instead on failing septic systems or even modified cesspools. Recently a new developer released a Notice of Preparation (NOP) a Draft Environmental Impact Report (DEIR) for a new community that will include thousands of residential units, golf courses, parks, commercial land uses and other amenities. The NOP notes that CVWD will expand to annex the community into its service area and will serve the community with wastewater and drinking water service.

The City of Tulare agreed to expand drinking water and wastewater service to the neighboring community of Matheny Tract. Matheny Tract relies on drinking water contaminated with Arsenic, likely 123-TCP, and is at risk from contamination from contaminants from human waste. The City, since agreeing to extend services has attempted to absolve its responsibilities stating now that it has no intention of extending wastewater service to the community and that there may be inadequate water capacity to serve the 330 unit community. The City has stated that its priority is securing water for current city residents and anticipated city growth as opposed to extending water service to Matheny Tract (a 70 year old community). Since the City started claiming lack of water capacity for Matheny Tract, it has connected or approved connection for almost 1000 new single family homes.

Comments

1) Purpose of Bill. Many communities in California continue to suffer from third-world level drinking water and wastewater services. In many cases, these communities' border cities or special districts with more than enough capacity to serve them, but their boundaries have been drawn to specifically exclude them. Despite recent legislative efforts, some cities continue to look to serve new development outside of their current boundaries before helping neighboring communities. While SB 244 helped highlight the disparity in services for DUCs, stronger measures are needed to ensure that LAFCOs and local governments faithfully carry out their

responsibilities. SB 1318 is simply the next step. It incentivizes cities and special districts that want to serve new development to help meet the needs of existing communities with drinking water and wastewater problems, and codifies best practices that conscientious LAFCOs already follow. SB 1318 won't solve all of the problems of DUCs, but it provides an important tool to get the state closer to its goal of ensuring that all Californians have access to safe, affordable drinking water. According to the author, "It is unconscionable and frankly inexcusable that some communities in California do not have access to adequate potable drinking water supplies or wastewater services. Most of these communities are predominantly rural and agricultural, the residents of which supply the labor that sustains California's world class agriculture. This bill ensures that these disadvantaged communities are no longer left behind as other cities around their homes further develop and increase in population. All Californians, regardless of socioeconomic status have the right to safe drinking water and wastewater services."

DOUBLE REFERRAL:

This measure was heard in Senate Governance and Finance Committee on April 6, 2016, and passed out of committee with a vote of 5-1.

SOURCE: Leadership Counsel for Justice and Accountability

SUPPORT (pursuant to March 28, 2016 version of the bill):

- California Environmental Justice Alliance
- California Food Policy Advocates
- California League of Conservation Voters
- California Rural Legal Assistance Foundation
- Clean Water Action
- Community Water Center
- Environmental Justice Coalition for Water
- Environmental Working Group
- Natural Resources Defense Council
- Policy Link
- Pueblo Unido Community Development Coalition
- San Joaquin Valley Sustainable Agriculture Collaborative
- Sequoia Riverlands Trust
- Sierra Club California
- The Trust for Public Land

OPPOSITION (pursuant to March 28, 2016 version of the bill):

- California Apartment Association
- California Association of Local Agency Formation Commissions
- California Association of Realtors
- California Building Industries Association
- California Business Properties Association
- California Chamber of Commerce
- California Manufacturers and Technology Association
- California Municipal Utilities Association
- California Special Districts Association
- Coachella Valley Water District
- Contra Costa LAFCO
- El Dorado LAFCO

League of California Cities
Nevada County LAFCO
San Bernardino County LAFCO
San Diego LAFCO
San Mateo LAFCO
Santa Cruz County LAFCO
Sonoma LAFCO

ARGUMENTS IN OPPOSITION: The Coachella Valley water district states that it is "acutely aware of the need to provide safe and reliable drinking water and wastewater services, including the accompanying infrastructure to disadvantaged communities. The district works diligently with other agencies, organizations and members of such communities within its service area. ?."

The district continues that it "must oppose this proposed legislation since it ignores the fiscal implications associated with such a requirement when the drinking water/wastewater infrastructure services are proposed for new development. Currently, new developments are required to fund the drinking water/wastewater infrastructure required to service the new development through direct investment and or development/facility impact fees. This long held policy of most utilities prevents this burden from being placed on existing customers. In fact, cities and districts are legally prevented from doing so due to restrictions such as Proposition 218."

A coalition of opposition argues that:

"The bill prohibits new housing or employment centers that comply with all existing requirements from receiving water service from an existing provider unless and until various conditions are met regarding disadvantaged unincorporated communities (DUCs) that are unrelated to the housing or employment centers.

The bill will have three undesirable results:

1. It will foster the proliferation of new public water systems;
2. It will block the production of new housing during a housing crisis;
3. It won't help DUCs receive water from new sources.

Beyond the unintended and untenable outcomes inherent in the bill, we strongly believe it would be unconstitutional to require the territory to pay for any fees or costs associated with an annexation or an extension of services to a disadvantaged community (paying for existing deficiencies is prohibited). SB 1318 does not provide any funding source for the LAFCO or the water or wastewater provider to accomplish its intended goal. By attaching DUCs to new housing or employment centers, those new projects will garner more opposition and increase the likelihood of denial. As a result, new projects will likely avoid seeking annexation or extension of services from an existing provider and instead, opt to form their own water system. Very likely, the bill will result in the proliferation of smaller water systems and existing disadvantaged communities will be left out in the cold.

This bill, intended or not, establishes walls between territories that want water or wastewater services and the existing providers of those services. The intermeddling proposed by SB 1318 won't help disadvantaged communities and could stifle new housing and employment centers.

A better approach would be to establish a process for dialogue between existing service providers and DUCs to see if annexation or an extension of services is feasible."

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

May 11, 2016

ALTERNATES:
*Pete Vander Poel
Craig Vejvoda
Dennis Mederos*

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Ben Giuliani, Executive Officer

EXECUTIVE OFFICER:
Ben Giuliani

SUBJECT: Amendment to Policy A-5 (Commission Meetings and Hearings)

Background

Listed below is a draft policy amendment to give LAFCO better flexibility when considering position letters for State legislation. Due to the timing of Commission meetings and the frequency of legislative amendments, it is currently very difficult to provide position letters in a timely manner when requested by our state organization (CALAFCO) or others.

Discussion

Proposed Addition to LAFCO Policy A-5

5.7 Legislative Process Participation

- A. In situations when a legislative bill affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position.
- B. The Chair and Vice-Chair shall review and either sign the letter or approve the email prior to it being submitted for consideration.
- C. After submission, the Executive Officer shall forward the approved e-mail or letter to the rest of the Commission.
- D. The correspondence will be placed in the next available Commission agenda.

If there are no objections by the Commission, this policy amendment will be brought back to the Commission for approval at the June 1st meeting.

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CALAFCO Daily Legislative Report as of Tuesday, May 03, 2016

AB 2032 (Linder R) Change of organization: cities: disincorporation.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Introduced: 2/16/2016

Last Amended: 4/11/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 9. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires the executive officer of a local agency formation commission to prepare a comprehensive fiscal analysis for any proposal that includes a disincorporation, as specified. This bill would additionally require the comprehensive fiscal analysis to include a review and documentation of all current and long-term liabilities of the city proposed for disincorporation and the potential financing mechanism or mechanisms to address any identified shortfalls and obligations, as specified.

Position: Support

Subject: CKH General Procedures, Disincorporation/dissolution

CALAFCO Comments: This bill is sponsored by the County Auditor's Association. After working closely with the author's office and the sponsor's representative, the bill has been substantially amended. The amendments in the April 5, 2016 version of the bill eliminate all of CALAFCO's concerns, and as a result we have removed our opposition. The amendments reflected in the April 11, 2016 version reflect the addition of one item inadvertently omitted by the author and a requested change in the ordering sequence by CALAFCO. All amendments are minor and have been agreed to by CALAFCO and the other stakeholders with whom we worked last year on AB 851 (Mayes).

AB 2277 (Melendez R) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 4/20/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary:

Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2016-17 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: As introduced, this bill is identical to SB 817 (Roth, 2016) except that it does not incorporate changes to the R&T Code Section 97.70 related to AB 448 (Brown, 2015). The bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2016/17 year for cities that incorporated between 1-1-2004 and 1-1-2012.

AB 2470 (Gonzalez D) Municipal water districts: water service: Indian tribes.

Current Text: Amended: 4/26/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/26/2016

Status: 4/27/2016-Re-referred to Com. on APPR.

Summary:

Current law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Current law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers. This bill, upon the request of

an Indian tribe and the satisfaction of certain conditions, would require a district to provide service of water at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet certain requirements and the Indian tribe satisfies prescribed conditions.

Position: Watch

Subject: Water

AB 2471 (Quirk D) Health care districts: dissolution.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 3/8/2016-Referred to Com. on L. GOV.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary:

Would require a local agency formation commission to order the dissolution of a health care district without an election if the health care district meets certain criteria, as specified. The bill would subject a dissolution under these provisions to the provisions of the act for winding up the affairs of a dissolved district.

Position: Oppose unless amended

Subject: CKH General Procedures, Disincorporation/dissolution, Special District Consolidations

CALAFCO Comments: As introduced, this bill amends CKH 57103 and Health & Safety Code by adding Section 32495. These changes require a LAFCO to order the dissolution of a health care district without an election, providing the health care district: (1) does not currently receive a property tax allocation; (2) has substantial net assets; and (3) does not provide a direct health care service (defined as the ownership or operation of a hospital, medical clinic, wellness center or ambulance service).

CALAFCO was not contacted by the author prior to the bill's introduction. According to the author's office, the bill is sponsored by Alameda County and focuses on a local issue with the Eden Health Care District. However, the bill is not written exclusively to address that issue, but rather all health care districts that meet the noted criteria. Further the bill removes all discretion from LAFCo in making a decision about the dissolution of a healthcare district that meets the stated criteria.

CALAFCO has offered two amendment options for the author to consider, both of which remove the requirement for an election subsequent to the LAFCO ordering the dissolution of the healthcare district.

AB 2910 (Committee on Local Government) Local government: organization: omnibus bill.

Current Text: Amended: 4/18/2016 [pdf](#) [html](#)

Introduced: 3/15/2016

Last Amended: 4/18/2016

Status: 4/28/2016-Read second time. Ordered to Consent Calendar.

Calendar: 5/5/2016 #120 ASSEMBLY CONSENT CALENDAR 2ND DAY-ASSEMBLY BILLS

Summary:

Under current law, with certain exceptions, a public agency is authorized to exercise new or extended services outside the public agency's jurisdictional boundaries pursuant to a fire protection contract only if the public agency receives written approval from the local agency formation commission in the affected county. Current law defines the term "jurisdictional boundaries" for these purposes. Current law, for these purposes, references a public agency's current service area. This bill would revise these provisions to remove references to a public agency's current service area and instead include references to the public agency's jurisdictional boundaries.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill that makes minor, non controversial changes to CKH. This year, the bill makes several minor technical changes, corrects obsolete and incorrect code references, and corrects typographical errors. Affected sections include: 56301, 56331, 56700.4, 56816, 56881, 57130 and 56134.

SB 552 (Wolk D) Public water systems: disadvantaged communities: consolidation or extension of service.

Current Text: Amended: 7/7/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amended: 7/7/2015

Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was RLS. on 7/9/2015)

Summary:

Current law, for purposes of the California Safe Drinking Water Act, defines "disadvantaged community" to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company. This bill would allow a community to be a "disadvantaged community" if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: Previously, CALAFCO was informed by the author's office that this bill is being amended as a vehicle to clean-up the water consolidation legislation passed through as a budget trailer bill, SB 88/AB 115. However, to date there has been response from the author's office as to what that may look like. CALAFCO continues to monitor for amendments.

SB 817 (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Amended: 2/22/2016 [pdf](#) [html](#)

Introduced: 1/5/2016

Last Amended: 2/22/2016

Status: 4/11/2016-April 11 hearing: Placed on APPR. suspense file.

Summary:

Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, current law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2016-17 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: As amended, this bill is identical to SB 25 (Roth, 2015) and SB 69 (Roth, 2014). The bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2016/17 year for cities that incorporated between 1-1-2004 and 1-1-2012.

SB 1262 (Pavley D) Water supply planning.

Current Text: Amended: 4/27/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Last Amended: 4/27/2016

Status: 4/29/2016-Set for hearing May 9.

Calendar: 5/9/2016 10 a.m. - Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

Summary:

the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site.

Position: Watch

Subject: Water

CALAFCO Comments: As introduced, this complicated bill makes a number of changes to GC Section 66473.7 and Section 10910 of the Water Code. In 66473.7, in the definitions section, the bill adds definitions pertaining to the use of groundwater by a proposed subdivision as the source of water. It adds an adopted groundwater sustainability plan as optional substantial evidence that the water system has sufficient water supply to meet the demands of the subdivision project. The bill adds that a groundwater basin identified by the State Water Resources Control Board (SWRCB) as a probationary basin is not considered a viable water supply.

In Water Code section 10910, the bill makes the following changes: If no water system that is within or adjacent to the service area of the project site is identified as a viable source of water for the project, the city or county shall prepare a technical report that includes five factors. Based on this report, if the city or county determines that it is feasible for a water system to provide water to the project, the city or county shall submit the technical report to the local LAFCo with jurisdiction over the project. If the LAFCo denies the annexation or extension of service then the city or county shall develop a water supply assessment as outlined in 10910. What is unclear to CALAFCO at this time is what is to be done with the assessment once completed, and why it is not completed prior to the LAFCo considering the application as part of the CEQA process.

CALAFCO continues discussions with stakeholders, the administration and the author's staff on pending amendments.

SB 1266 (McGuire D) Joint Exercise of Powers Act: agreements: filings.

Current Text: Amended: 4/12/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Last Amended: 4/12/2016

Status: 4/26/2016-Read second time. Ordered to third reading.

Calendar: 5/5/2016 #55 SENATE SEN THIRD READING FILE - SEN BILLS

Summary:

Current law requires an agency or entity that files a notice of agreement or amendment with the Secretary of State to also file a copy of the original joint powers agreement, and any amendments to the agreement, with the Controller. This bill would require an agency or entity required to file documents with the Controller, as described above, that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services, and that includes a local agency member, as specified, to also file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located within 30 days after the effective date of the agreement or amendment to the agreement.

Position: Sponsor

Subject: Joint Power Authorities, LAFCo Administration

CALAFCO Comments: This is a CALAFCO sponsored bill. As amended, the bill requires all stand-alone JPAs, as defined in GC Section 56047.7, which includes a member that is a public agency as defined in GC Section 56054, and are formed for the purposes of delivering municipal services, to file a copy of their agreement (and a copy of any amendments to that agreement) with the LAFCo in each county within which all or any part a local agency member's territory is located. Further it requires the JPA to file with the LAFCo within 30 days of the formation of the JPA or change in the agreement, and should they not file adds punitive action that the JPA shall not issue bonds nor incur indebtedness. Both of the latter changes are consistent with existing JPA statute.

SB 1318 (Wolk D) Local government: drinking water infrastructure or services: wastewater infrastructure or services.

Current Text: Amended: 4/12/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/12/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2. Page 3644.) (April 20). Re-referred to Com. on APPR.

Summary:

Current law, except as otherwise provided, 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, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer. This bill would extend that prohibition to an annexation to a qualified special district.

Position: Oppose

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Service Reviews/Spheres, Water

CALAFCO Comments: Virtually gut and amended on April 12, the bill now does a number of different things.

First, it prohibits a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a DUC within or adjacent to the SOI of a city or special district that lacks safe drinking water or wastewater infrastructure or services, unless the city or special district has entered into an enforceable agreement to extend those services into the DUC as specified. The bill would define "qualified special district" to mean a special district with more than 500 service connections.

Next, The bill would prohibit a commission from approving a sphere of influence update that removes a DUC from a city's or special district's sphere of influence unless the commission makes a finding that removal of the community will result in improved service delivery to the community. The bill adds 56425(k), prohibiting a commission from approving a SOI update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed SOI.

The bill adds several requirements in GC Section 56430 relating to Municipal Service Reviews. First, it changes (b) to mandate the commission to assess various alternatives relating to the efficiency and affordability of infrastructure and delivery of services; and changes (c) to mandate the commission to include a review whether the agency being reviewed is in compliance with the CA Safe Drinking Water Act.

Finally, the bills adds to 56430 the following requirements to LAFCo: (1) on or before 1/1/22 and every 5 years thereafter, LAFCo shall do MSR for the entire county territory (regardless of service provider); (2) Create and electronically file a map that identifies DUCs that lack safe drinking water or wastewater with OPR (who will then post on their website); Within 2 years of identifying such a DUC, LAFCo shall create a plan based on alternatives analyzed and adopt any actions necessary to implement the plan (regardless of whether the agencies involved are public or private); (3) Creates an exemption for an election or any protest proceedings on the above action except protest proceedings are required for the residents of the DUC; (4) LAFCo will not be required to adopt a plan if there is no feasible way of connecting the DUC with an existing system; (5) LAFCo cannot change a SOI or extend services if these requirements are not met; (6) LAFCo cannot change a SOI of an agency that was identified in a plan of action and they have not taken action within 3 years, unless there is an application to extend services of annex that territory; or an extension of services pursuant to 56133.

AB 1362 (Gordon D) Mosquito abatement and vector control districts: board of trustees: appointment of members.

Current Text: Amended: 1/19/2016 [pdf](#) [html](#)

Introduced: 2/27/2015

Last Amended: 1/19/2016

Status: 2/4/2016-Referred to Com. on GOV. & F.

Summary:

Would authorize a city council, located in an existing or newly formed district as specified, to adopt a resolution requesting that appointments of persons to the board of trustees instead be made by a city selection committee, established pursuant to specified provisions of law, and conditioned upon a majority of authorized city councils adopting their respective resolutions. This bill would authorize the city selection

committee to decrease the total number of appointments to be made by the committee if a majority of city councils within the district make this request in their respective resolutions.

Position: Watch

CALAFCO Comments: As amended, this bill amends the Health and Safety Code by creating an alternative option to the appointment process to the board of trustees of a district. The additional process calls for the City Selection Committee to make appointments rather than the cities themselves in a case where a majority of the city councils located within the district and are authorized to appoint a person to the board of trustees adopt resolutions approving of this alternate appointment process. No change is being made to how the County Board of Supervisors makes their appoint to the district board.

This is a locally supported bill, stemming from an issue in San Mateo with their Mosquito Abatement District which is in the Assembly member's district.

AB 2414 (Garcia, Eduardo D) Desert Healthcare District.

Current Text: Amended: 4/18/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/18/2016

Status: 4/19/2016-Re-referred to Com. on APPR.

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPR., GONZALEZ, Chair

Summary:

Would authorize the expansion of the Desert Healthcare District to include the eastern Coachella Valley region by requiring the Board of Supervisors of the County of Riverside to submit a resolution of application to the Riverside County Local Agency Formation Commission, and, upon direction by the commission, to place approval of district expansion on the ballot at the next countywide election following the completion of commission proceedings, including a public hearing.

Position: Oppose

Subject: Disincorporation/dissolution, LAFCo Administration

CALAFCO Comments: This bill requires the approval of the expansion of the territory within the Desert Healthcare District. It requires Riverside LAFCo to process, without the authority to deny, an application by the County of Riverside to expand the district. It further requires the Riverside LAFCo to consult with and complete a fiscal analysis with the District's Board, County Auditor-Controller, affected local entities and all interested stakeholders. The County Board of Supervisors is required to submit the application to LAFCo no more than 15 days after the enactment of the legislation, and Riverside LAFCo is required to complete the review on or before August 1, 2016. The bill eliminates the protest provisions for the purposes of this application. The bill further requires that is a sufficient funding source to expand the district is identified, the expansion will be subject to a vote of the registered voters within the proposed expanded district.

This bill is reminiscent of AB 3 (Williams, 2015) in that it strips the local LAFCo of their authority. Additionally, the timelines proposed within this bill for the LAFCo are unrealistic.

Pending amendments taken by the author in the Assembly Local Gov't Comm. remove the tight timelines and target a 2018 election rather than 2016 by removing the bill's urgency clause. Additionally, an election will occur only within the territory proposed for annexation, and move the requirement of identifying proposed new boundaries and a funding source from the LAFCo and onto the applicant. These amendments remove most of our concerns. The one remaining concern is preserving LAFCo's discretion in the matter.

AB 115 (Committee on Budget) Water.

Current Text: Amended: 6/18/2015 [pdf](#) [html](#)

Introduced: 1/9/2015

Last Amended: 6/18/2015

Status: 9/11/2015-Ordered to inactive file at the request of Senator Mitchell.

Summary:

Would authorize the State Water Resources Control Board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state

board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation.

Position: Oppose

Subject: Disadvantaged Communities, LAFCo Administration, Special District Consolidations, Water

CALAFCO Comments: UPDATED COMMENTS: CALAFCO continues to monitor this bill to ensure it does re-present itself in another form impacting LAFCo.

AB 1658 (Bigelow R) Happy Homestead Cemetery District: nonresident burial.

Current Text: Introduced: 1/13/2016 [pdf](#) [html](#)

Introduced: 1/13/2016

Status: 2/4/2016-Referred to Com. on L. GOV.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary:

Would authorize the Happy Homestead Cemetery District in the City of South Lake Tahoe in the County of El Dorado to use its cemeteries to inter residents of specified Nevada communities if specified conditions are met. This bill contains other related provisions.

Position: Watch

Subject: Special District Principle Acts

AB 1707 (Linder R) Public records: response to request.

Current Text: Amended: 3/28/2016 [pdf](#) [html](#)

Introduced: 1/25/2016

Last Amended: 3/28/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. L. GOV. on 3/29/2016)

Summary:

The California Public Records Act requires state and local agencies to make public records available for inspection, unless an exemption from disclosure applies. The act requires a response to a written request for public records that includes a denial of the request, in whole or in part, to be in writing. This bill instead would require the written response demonstrating that the record in question is exempt under an express provision of the act also to identify the type or types of record withheld and the specific exemption that justifies withholding that type of record.

Position: Oppose

Subject: Public Records Act

CALAFCO Comments: As amended, this bill would require public agencies, including LAFCos, when responding to a Public Records Request for which a determination has been made to deny the request, to identify the types of records being withheld and the specific exemption that applies to that record. The amendments did little to mitigate concerns, as the change is minor. (Removed the requirement of having to list every document and now requires them to be categorized.)

CALAFCO understands this bill has been pulled by the author. We will continue to monitor.

AB 2142 (Steinorth R) Local government finance.

Current Text: Introduced: 2/17/2016 [pdf](#) [html](#)

Introduced: 2/17/2016

Status: 2/18/2016-From printer. May be heard in committee March 19.

Summary:

Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

Position: Watch

CALAFCO Comments: As introduced, this appears to be a spot bill. The bill targets Section 96.15 of the Rev & Tax code pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

AB 2257 (Maienschein R) Local agency meetings: agenda: online posting.

Current Text: Amended: 4/25/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Last Amended: 4/25/2016

Status: 4/26/2016-Re-referred to Com. on APPR.

Summary:

Would require an online posting of an agenda by a local agency to have a prominent direct link to the current agenda itself. The bill would require the link to be on the local agency's Internet Web site homepage, not in a contextual menu on the homepage, and would require the agenda to be posted in an open format that meets specified requirements, including that the agenda is platform independent and machine readable. The bill would make these provisions applicable on and after January 1, 2019. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: As amended, this bill amends GC Section 54954.2 pertaining to the online posting of a local agency's meeting agenda. The bill requires that online posting to have a prominent and direct link to the current agenda itself from the local agency's homepage. This means that LAFCos will have to post a prominent link on their website's homepage, directly taking the user to the meeting agenda. Other requirements added in the April 11, 2016 version of the bill include: (1) The direct link to the agenda required shall not be in a contextual menu; (2) The agenda shall be posted in an open format that is retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications; is platform independent and machine readable; is available to the public free of charge and without any restriction that would impede the reuse or redistribution of the public record.

AB 2389 (Ridley-Thomas D) Special districts: district-based elections: reapportionment.

Current Text: Amended: 4/5/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Last Amended: 4/5/2016

Status: 4/25/2016-In committee: Hearing postponed by committee.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary:

Would authorize a governing body of a special district, as defined, to require, by resolution, that the members of its governing body be elected using district-based elections without being required to submit the resolution to the voters for approval. This bill would require the resolution to include a declaration that the change in the method of election is being made in furtherance of the purposes of the California Voting Rights Act of 2001.

Position: Watch

CALAFCO Comments: As amended, this bill allows special districts, if approved by resolution of the governing board, to conduct elections of their governing board using district-based elections, without being required to submit the resolution to the voters for approval.

AB 2435 (Mayes R) Local government organization: disincorporated cities.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-Read first time.

Summary:

Under that Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, upon disincorporation of a city, on and after the effective date of that disincorporation, the territory of the disincorporated city, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within that territory, are no longer subject to the jurisdiction of the disincorporated city. This bill would make a technical, nonsubstantive change to this provision.

Position: Placeholder - monitor

Subject: Disincorporation/dissolution

CALAFCO Comments: This is a spot bill. According to the author's office, they have no intention of using it to amend CKH but rather as a vehicle to amend another unrelated section of the Government Code. CALAFCO will continue to monitor.

AB 2737 (Bonta D) Nonprovider health care districts.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/11/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary:

Would require a nonprovider health care district, as defined, to spend at least 80% of its annual budget on community grants awarded to organizations that provide direct health services and not more than 20% of its annual budget on administrative expenses, as defined. By requiring a higher level of service from nonprovider health care districts, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

CALAFCO Comments: This bill appears to be a companion bill to AB 2471 (Quirk) addressing the Eden Township Healthcare District.

AB 2801 (Gallagher R) Local government: fees and charges: written protest.

Current Text: Amended: 4/26/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/26/2016

Status: 4/27/2016-Re-referred to Com. on APPR.

Summary:

Current statutory law provides notice, protest, and hearing procedures for the levying of new or increased fees or charges by local government agencies pursuant to Article XIII D of the California Constitution. Under current statutory law, one written protest per parcel, filed by an owner or tenant of the parcel, is counted in calculating a majority protest to a proposed new or increased fee or charge. This bill would require the agency to maintain the written protests for a minimum of 2 years following the date of the hearing to consider the written protests. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: The original bill would have removed the 60 day statute of limitations on bringing a validation action to court for any public agency, including LAFCo. Gut and amended on April 4, 2016, the bill now focuses on amending GCS 53755 and relates to fee increases to property owners by an agency providing property related services.

AB 2853 (Gatto D) Public records.

Current Text: Amended: 4/13/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/13/2016

Status: 4/14/2016-Re-referred to Com. on APPR.

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROP., GONZALEZ, Chair

Summary:

Would authorize a public agency that posts a public record on its Internet Web site to first refer a person that requests to inspect or obtain a copy of the public record to the public agency's Internet Web site where the public record is posted. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Public Records Act

CALAFCO Comments: As amended the bill simply allows a public agency that has received a public records request act request to refer the the person making the request to the agency's website for the documents, should they be posted on the site.

SB 971 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 4/21/2016-Referred to Com. on L. GOV.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary: Would enact the First Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Position: Support

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 972 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 4/21/2016-Referred to Com. on L. GOV.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary: Would enact the Second Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute, but would become operative on a specified date.

Position: Support

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 973 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 4/21/2016-Referred to Com. on L. GOV.

Calendar: 5/4/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GVT, EGGMAN, Chair

Summary: Would enact the Third Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Support

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 974 (Committee on Governance and Finance) Local government: omnibus.

Current Text: Amended: 3/29/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Last Amended: 3/29/2016

Status: 5/2/2016-Referred to Com. on L. GOV.

Summary:

The Professional Land Surveyors' Act, among other things, requires a county recorder to store and index records of survey, and to maintain both original maps and a printed set for public reference. That act specifically requires the county recorder to securely fasten a filed record of survey into a suitable book. This bill would also authorize a county recorder to store records of survey in any other manner that will assure the maps are kept together. This bill contains other related provisions and other current laws.

Position: Watch

CALAFCO Comments: As amended, this bill is the Senate Governance & Finance Committee's annual Omnibus bill.

SB 1009 (Nielsen R) Public cemeteries: nonresidents.

Current Text: Introduced: 2/11/2016 [pdf](#) [html](#)

Introduced: 2/11/2016

Status: 2/25/2016-Referred to Com. on GOV. & F.

Summary:

Would authorize a district that serves at least one county with a population of fewer than 10,000 residents or that has a population not exceeding 20,000 and is contained in a nonmetropolitan area, to inter a person who is not a resident of the district in a cemetery owned by the district if specified criteria are met,

including that the district requires the payment of a nonresident fee and the board of trustee determines that the cemetery has adequate space for the foreseeable future.

Position: Watch

Subject: Special District Powers

CALAFCO Comments: This bill would authorize a district that serves at least one county with a population of fewer than 10,000 residents or that has a population not exceeding 20,000 and is contained in a non-metropolitan area, to inter a person who is not a resident of the district in a cemetery owned by the district if specified criteria are met, including that the district requires the payment of a nonresident fee and the board of trustee determines that the cemetery has adequate space for the foreseeable future.

SB 1263 (Wieckowski D) Public water system: permits.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 5/2/2016-From committee: Be ordered to second reading pursuant to Senate Rule 28.8.

Calendar: 5/5/2016 #14 SENATE SEN SECOND READING FILE - SENATE BILLS

Summary:

Would, commencing January 1, 2017, prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the State Water Resources Control Board, as specified, and would allow the state board to impose technical, financial, or managerial requirements on the permit.

Position: Watch

Subject: Water

CALAFCO Comments: As introduced, this bill would prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the state board, as specified, and would allow the state board to impose technical, financial, or managerial requirements on the permit. The bill would prohibit a public water system not in existence on January 1, 1998, from being granted a permit unless the public water system demonstrates that the water supplier also possesses adequate water rights to ensure the delivery safe drinking water, and would specify that the prohibition applies to any change in ownership of the public water system, including the consolidation of a public water system. The bill would allow the state board to deny the permit if the state board determines that the service area of the public water system can be served by one or more currently permitted public water systems. Finally, the bill would prohibit a local primacy agency from issuing a permit without the concurrence of the state board.

SB 1276 (Moorlach R) Local agencies.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 3/3/2016-Referred to Com. on RLS.

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make nonsubstantive changes to the above-described law.

Position: Placeholder - monitor

Subject: CKH General Procedures

CALAFCO Comments: This is a spot bill to amend CKH. CALAFCO has not been contacted by the author's office regarding their intent.

SB 1292 (Stone R) Grand juries: reports.

Current Text: Amended: 3/28/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 3/28/2016

Status: 4/25/2016-April 25 hearing: Placed on APPR. suspense file.

Summary:

Current law authorizes a grand jury to request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release. This bill would delete the

authority of a grand jury to request a subject person or entity to come before it for purposes of reading and discussing the findings of a grand jury report.

Position: Support

Subject: Other

CALAFCO Comments: Sponsored by CSDA. As amended, the bill requires the Grand Jury to conduct an exit interview with report subjects to discuss and share findings. They may also provide a copy of the subject's report. The subject will have no less than 5 working days to provide written comments back to the Grand Jury for their consideration before the report is public. Once the Grand Jury report is approved by a judge, the Grand Jury is required to provide a copy of the section pertaining to the subject to that entity no later than 6 working days prior to the reports public release. The subject entity can submit a preliminary response to the report to the Grand Jury, who is then required to make those preliminary comments public at the time the report is made public.

This will allow LAFcos, when they are the subject of a Grand Jury report, to meet with the Grand Jury and hear their findings, and for the LAFco to respond to those findings and offer additional information or corrections. Further, it allows the LAFco to provide preliminary comments that are required to be posted with the report when it is made public.

SB 1360 (Bates R) Local government: municipal service agreements: law enforcement services.

Current Text: Amended: 3/31/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 3/31/2016

Status: 4/28/2016-Read second time. Ordered to consent calendar.

Calendar: 5/5/2016 #71 SENATE SEN CONSENT CALENDAR SECOND LEGISLATIVE DAY

Summary:

Would require a city that provides law enforcement services through its appropriate departments, boards, commissions, officers, or employees to another city pursuant to a contract or any other agreement to charge that city all the costs that are incurred in providing those law enforcement services, but prohibit the inclusion of any costs that the city providing the services reasonably determines are general overhead costs. The bill would provide that any determination of general overhead costs made by a city providing law enforcement services is subject to judicial review as to the reasonableness of that determination.

Position: Watch

Subject: Municipal Services

CALAFCO Comments: As amended, the bill requires a city that provides law enforcement services to another city, to only charge the city the costs incurred for providing the services, and excludes reimbursement of any general overhead costs. The bill applies to new or renewed contracts as of 1/1/17.

SB 1436 (Bates R) Local agency meetings: local agency executive compensation: oral report of final action recommendation.

Current Text: Amended: 4/6/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Last Amended: 4/6/2016

Status: 4/28/2016-In Assembly. Read first time. Held at Desk.

Summary:

Current law prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined. This bill, prior to taking final action, would require the legislative body to orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive during the open meeting in which the final action is to be taken. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFco Administration, Other

CALAFCO Comments: As amended, this bill requires public agencies, including LAFcos, when taking final action on salary for the agency's executive, to be made as a separate discussion agenda item rather than a content calendar item on the agenda.