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 6 @ 2:00 P.M.
BOARD OF SUPERVISORS CHAMBERS
COUNTY ADMINISTRATIVE BUILDING
2800 West Burrel Avenue
Visalia CA 93291

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

- I. Call to Order
- II. Approval of Minutes from April 1, 2015 (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. Continued Action Items

The Commission will consider the proposed Sphere of Influence update for the City of Tulare. A lawsuit has been filed, Manro vs City of Tulare (TCSC Case 258532) challenging the EIR prepared for the General Plan update. Since there is no indemnification agreement in place between the City and the Commission and because the estimated timing of the initial judgement isn't until October, the SOI update is recommended to be tabled until the resolution of the lawsuit.

V. New Action Items

 LAFCO Case# 1516 Goshen Community Service District – Activation of Latent Power (Pages 5-10)

[Public Hearing]......Recommended Action: Approval

Goshen CSD has submitted a request to activate its latent power for public recreation. An assessment district has been formed to finance the requested services by the District.

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

2. <u>Move Commission Meeting from June 3rd to June 10th</u> (No Page)

[No Public Hearing]......Recommended Action: Approve/Deny

If the Goshen CSD request is approved, the Commission may consider moving the June Commission meeting due to the timing of the consideration of the protest hearing results for the activation of the latent power.

3. Response to Tulare County Grand Jury (Pages 11-14)

[No Public Hearing]......Recommended Action: Approval

The Tulare County Grand Jury has requested responses to the remaining findings and recommendations of their report on Richgrove CSD. A letter with the additional responses has been drafted.

4. Legislative Letters (Pages 15-28)

[No Public Hearing]......Recommended Action: Approval

CALAFCO has requested letters of support for AB 851, AB 1532, AB 448 and SB 25 and letters of opposition for SB 239.

VI. <u>Executive Officer's Report</u>

1. ESAs 2015-01, -02, -03, -04, -05 (City of Porterville) (Pages 29-36)

Pursuant to Policy C-6, the Executive Officer approved five ESAs between the City of Porterville and five property owners for the provision of domestic water to existing single-family residences.

2. <u>Draft Policy D-1 (Conflict of Interest and Disclosure Requirements)</u> (Pages 37-38)

Currently, Tulare County LAFCo policy requires the annual filing of Form 700 during the month of January for the prior calendar year. This is more restrictive than the current April 1st deadline as set by the California Fair Political Practices Commission (FPPC). The proposed amended draft policy would match the State deadline.

3. Legislative Update (Pages 39-46)

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

4. Upcoming Projects (No Page)

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

VII. Correspondence

There are no items.

VIII. Other Business

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

IX. <u>Closed Sessions</u>

None

X. <u>Setting Time and Place of Next Meeting</u>

1. June 3, 2015 or June 10, 2015 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building.

XI. Adjournment



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION Summary Minutes of the Meeting April 1, 2015

Members Present: Allen, Mendoza, Ishida, Worthley

Members Absent: Hamilton

Alternates Present: Mederos, Vejvoda

Alternates Absent: Ennis

Staff Present: Ben Giuliani, Cynthia Echavarria, Alyssa Blythe

Counsel Present: Lisa Tennebaum

I. Call to Order

Chair Allen called the Tulare County Local Agency Formation Commission meeting to order at 2:01 p.m.

II. Approval of the March 4, 2015 Meeting Minutes:

Upon motion by Commissioner Worthley and seconded by Commissioner Ishida, the Commission unanimously approved the minutes of March 4, 2015.

III. Public Comment Period

Public Comments opened/closed at 2:02 p.m.

IV. Action Item

1. 2015/2016 Preliminary Budget and Work Program *(heard out of order)

SA Echavarria presented the 2015/16 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.

SA Echavarria stated LAFCO has approximately \$100,000 in reserve and Commission may apply all or a portion of that reserve to offset the city and county contribution. SA Echavarria reported that for the previous year, the LAFCO commission applied \$50,000 to the budget.

Vice Chair Mendoza requested the budget item "Intra-Agency Services Received" be shown as "Salaries" and to show the number of cases in the 6-year strategic work program.

Public Hearing opened/closed at 3:27 p.m.

Upon motion by Commissioner Worthley and seconded by Commissioner Vejvoda, the Commissioners approved the 2015/2016 Preliminary Budget and Work Program and designated \$50,000 from reserve funding to offset city/county contributions.

VI. Executive Officer's Reports

1. <u>Groundwater Sustainability in the Kaweah Sub-Basin</u> *It was requested by the Chair in interests of convenience for time to bring item ahead of budget discussion.

Paul Hendrix, General Manager of Tulare Irrigation District presented TID's efforts in groundwater sustainability in relation to the Sustainable Groundwater Management Act (SGMA).

Mr. Hendrix reviewed the history of groundwater sustainability in the Kaweah Sub-basin, existing arrangements in place with the Cities of Visalia and Tulare and key dates in the SGMA.

Mr. Hendrix and the Commission discussed how the recognition of water storage needs to play a bigger role.

2. Legislative Update

EO Guiliani reviewed legislation that CALAFCO is tracking and noted that the California Special Districts Association (CSDA) and CALAFCO have issued opposition letters for SB 239 (Local services: contracts: fire protection services).

Chair Allen reported on the CALAFCO legislative committee regarding SB 239 and AB 851 (disincorporations).

3. Response to Tulare County Grand Jury

EO Guiliani reported the letter of response to the Tulare County Grand Jury was included in the staff report, which stated the Tulare County LAFCO will consider the recommended role for LAFCO upon request by Richgrove CSD and the Tulare County BOS.

4. Upcoming Projects

EO Giuliani stated that at the May Meeting, staff will be bringing back the City of Tulare's Sphere of Influence and depending on if the existing lawsuit is settled, the Commission will make the decision to continue or table the public hearing. EO Guiliani also reported the Goshen CSD activation of latent powers for parks and recreation services, will be presented at the May meeting.

VII. Correspondence

None

VIII. Other Business

1. Commissioner Update

Commissioner Mederos questioned the timeliness of the Form 700 as he believed it was required to file in January instead of April 1.

EO Guiliani responded that the LAFCO policies and procedures are more restrictive than what the state requires and will bring an amended policy back to the May meeting for review.

Commissioner Worthley asked if information regarding current work being done for Ag preservation be compiled for the Commission to have information to gather and reference.

Chair Allen requested an exploration of the idea of mitigation for water projects rather than just 1-1 agricultural land mitigation.

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

None

IX. Setting Time and Place of Next Meeting

The next meeting will be May 6, 2015 in the Board of Supervisors Chambers in the County Administration Building.

XI. Adjournment

The meeting adjourned at 3:49 p.m.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

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

May 6, 2015

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Cynthia Echavarria, Staff Analyst

SUBJECT: Activation of Latent Powers for the Goshen Community

Services District, LAFCO Case #1516

Steve Worthley

ALTERNATES:
Mike Ennis
Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

Dennis Mederos

Background

Community Service Districts (CSDs) are formed and governed pursuant to Community Services District Law, Government Code §61000 et seq. CSDs are independent special districts governed by Boards of Directors. CSDs can provide a range of municipal services pursuant to the principal act. Goshen CSD was formed in 1958 with the following listed powers: To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation. The collection, treatment, or disposal of sewage, waste, and storm water of the district and its inhabitants. The collection or disposal of garbage or refuse matter. Protection against fire. Recreation services were added by election on November 2, 2004.

Discussion

Any service or function that is authorized by the principal act but is not listed as one of a CSD's functions when the CSD was formed or subsequently approved by LAFCO is considered a "latent power." A CSD wishing to exercise a latent power must first receive LAFCO approval before providing the service (GC §61106(a)). Pursuant to SB 135-Kehoe, LAFCOs were required to determine which powers were active or latent for every CSD by January 1, 2006. At that time, the only active power for Goshen CSD was the provision of sewage disposal.

Goshen CSD has submitted an application requesting activation of its latent power for public recreation which includes, but not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings; and street lighting. An assessment district was formed in FY 2014/15 to support the maintenance and improvements of Peter Malloch Park, adjacent to Self Help Enterprises' residential project, Park Village.

Change of Organization

The activation of a latent power is considered a change of organization and is subject to a 30-day reconsideration period and protest proceedings before a Certificate of Completion can be recorded. A protest hearing must be set within 35 days following the Commission's resolution making determinations but cannot be set within the 30 day reconsideration period. The results of the protest hearing would be brought back to the Commission for action at the next available

Commission meeting. If the activation of the latent power is approved, the protest hearing would have to be scheduled within June 8th to June 10th. The results of the protest hearing would be brought back to the Commission for action at the July 1st meeting. If the June 3rd Commission meeting is moved to June 10th, the results would be brought back to the Commission for action at the June 10th meeting.

Environmental Impacts:

The Goshen CSD has submitted a Negative Declaration conducted by the Tulare County Resource Management Agency and an Initial Study for this project and determined that the project would not have a significant impact on the environment. The County adopted a Negative Declaration on December 9, 2008 and an addendum to the Negative Declaration on April 28, 2009.

As a Responsible Agency, Tulare County LAFCO will also review and consider the Negative Declaration prepared by the Tulare County Resource Management Agency, as Lead Agency.

Recommendations:

It is recommended that the Commission take the following actions:

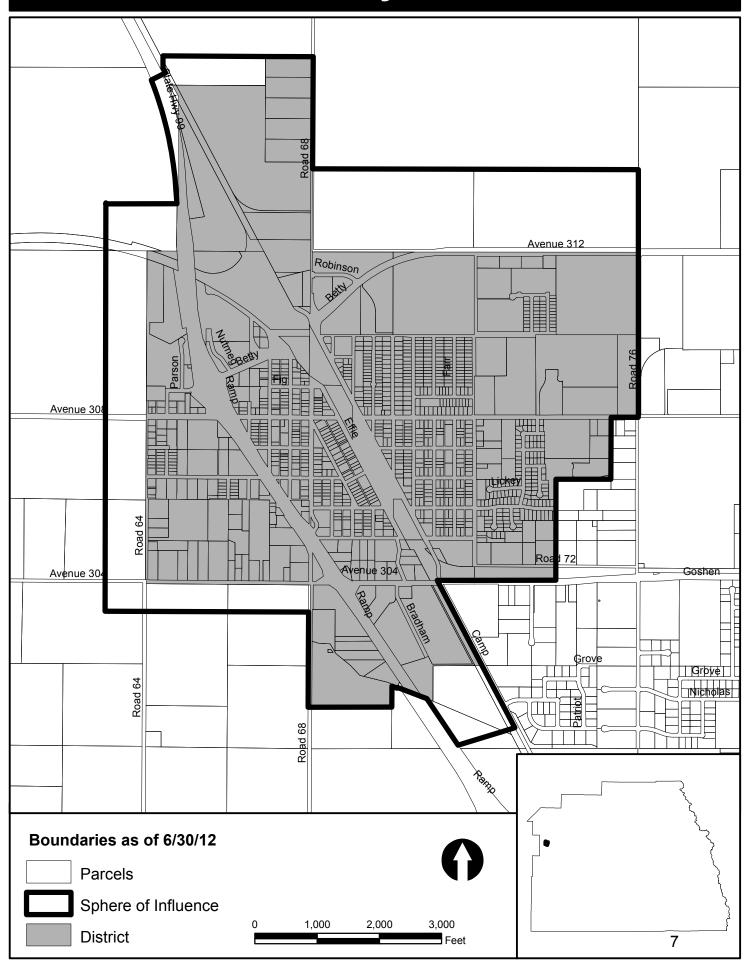
- A. Acting as Responsible Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to approving the proposed extension of powers the environmental effects of the project as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines Section15096.
- B. Find that the proposed activation of latent powers is consistent with LAFCO Policies and Procedures, and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- C. Approve the activation of the latent power for public recreation which includes, but not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings; and street lighting for the Goshen Community Services District, LAFCO Case Number 1516.
- D. Authorize the Executive Officer to conduct the protest hearing and to report to the Commission the results of that hearing for action in accordance with Government Code §57000, et al.
- E. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

Figures & Exhibits

Site Location Map Resolution

LAFCO CASE# 1516

Goshen Community Services District



BEFORE THE LOCAL AGENCY FORMATION COMMISSION

OF THE

COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Goshen Community)	
Services District, Activation of Latent Powers)	RESOLUTION NO. 15-XXX
LAFCO Case No. 1516)	

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 Activation of Latent Powers of the Goshen Community Services District.

WHEREAS, the power to be activated is for public recreation which includes, but not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings; and street lighting.

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

WHEREAS, on May 6, 2015 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

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

1. The information, material and facts set forth in the application and the report of the Executive Officer have been received and considered in accordance with GC §56668 and 56824.12. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

- 2. The Goshen CSD has submitted a Negative Declaration conducted by the Tulare County Resource Management Agency and an Initial Study for this project and determined that the project would not have a significant impact on the environment. The County adopted a Negative Declaration on December 9, 2008 and an addendum to the Negative Declaration on April 28, 2009. As a Responsible Agency, Tulare County LAFCO will also review and consider the Negative Declaration prepared by the Tulare County Resource Management Agency, as Lead Agency.
- 3. The Commission has reviewed and considered, in accordance with GC §56668 and 56824.12, the information, materials and facts presented by the following persons who appeared at the public hearing and commented on the proposal:

XXXXXXXX

XXXXXXXXX

- 4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.
- 5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:
 - a. The registered voters in Goshen CSD approved the addition of Public Recreation as an available power to the District on November 2, 2004.
 - b. As of January 1, 2006, the District's only active power was for sewage disposal.
 - c. The District has formed an assessment district to finance the requested power to be activated.
 - d. As a change of organization, the activation of a latent power is subject to a 30 day reconsideration period and protest proceedings.
- 6. The Commission determines that the proposed activation of latent powers is consistent with LAFCO policies and procedures and the Cortese-Knox-Hertzberg Local

Government Reorganization Act of 2000 and approves the activation of the latent power for public recreation which includes, but is not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings; and street lighting for the Goshen Community Services District.

- 7. Authorize the Executive Officer to conduct the protest hearing and to report to the Commission the results of that hearing for action at the next available Commission meeting.
- 8. The following short form designation shall be used throughout these proceedings:

 LAFCO Case No. 1516, Goshen CSD Activation of Latent Powers
- 9. Determine, in accordance with CEQA, as a Responsible Agency, that the Commission has considered the Notice of Exemption prepared Tulare County Resource Management Agency and authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

	The	foregoing	resolution	was	adopted	upon	motion	of	Commission	er _	
secor	ided by	у	_at a regul	ar me	eting held	on this	s 6th day	y of	May 2015 by	the	following
vote:											
AYES	:										
NOES	S:										
ABST	AIN:										
PRES	ENT:										
ABSE	NT:										

Ce

Ben Giuliani, Executive Officer



Tulare County Grand Jury

5963 South Mooney Boulevard Visalia, CA 93277

(559) 624-7785LA FEO(559) 733-6078

210 N. Church Street, Ste. B Visalia, CA 93291

APR 13 2015

MAIL RECEIVED

April 8, 2015

Tulare County Local Agency Formation Commission 210 N. Church Street, Suite B Visalia, CA 93291

Attn: Ben Giuliana

RE: 2014-2015 Final Report Confusion and Chaos in Richgrove

Dear Mr. Giuliana,

Thank you for your response in regards to the above mentioned Grand Jury report. However, in your response you did not address the following items:

FINDINGS:

Number(s): 1 through 4

RECOMMENDATIONS: Numbers(s): 1 through 5

We would appreciate your additional response to include this item by May 8, 2015.

If you have any questions, please contact our office at 624-7295.

Thank you, Church white

Chuck White, Foreman

2014-2015 Tulare County Grand Jury



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

May 6, 2015

TO: The Honorable Judge Gary Paden

Tulare County Grand Jury

Tulare County Board of Supervisors

FROM: Tulare County Local Agency Formation Commission (LAFCo)

SUBJECT: Tulare County Grand Jury Report: "Confusion and Chaos in Richgrove"

On February 4th, 2015 the Tulare County Grand Jury provided a report to Tulare County LAFCo titled "Confusion and Chaos in Richgrove". The report included a recommendation (#5) regarding LAFCO:

Pursuant to Cal. Gov. Code §61053, the Board [Richgrove CSD] may petition for the resumption of its financial control once the county standards and educational recommendations have been met and approved by the Tulare County LAFCo.

The Grand Jury, pursuant to California Penal Code §933(c) required a response from Tulare County LAFCo by April 6th, 2015. Tulare County LAFCo reviewed the Grand Jury report at its March 4th, 2015 meeting. Tulare County LAFCo's following response was sent to the Grand Jury on March 11th, 2015:

Tulare County LAFCo will consider the recommended role for LAFCo upon request by Richgrove CSD and Tulare County BOS.

A letter was received from the Grand Jury on April 13th, 2015 (attached). This letter requested responses from LAFCo to the other findings and recommendations contained in the Richgrove CSD report by May 8th, 2015. The following are LAFCo's responses:

F1. The Board has not submitted a financial audit in seven years. An anticipated five year preliminary audit has not been performed.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

F2. The Board has not shown sufficient knowledge and training to enable compliance with Generally Accepted Accounting Standards and Audits of State and Local Governmental Units publication.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

COMMISSIONERS: Juliet Allen, Chair Rudy Mendoza, V-Chair

Allen Ishida Cameron Hamilton Steve Worthley

Dennis Mederos

Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

ALTERNATES: Mike Ennis F3. Design or operational deficiencies of the Board internal control procedures adversely affect the district's ability to record, process, summarize and report financial data that would support minimum auditing requirements.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

F4. The RCSD Board has shown their dysfunction in parliamentary procedure and their compliance with the Brown Act is questionable. During the course of its investigation, the Grand Jury examined applicable laws and regulations pertaining to Special District requirements.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

R1. The Board will establish regular requirement for Richgrove Community Services District's officers to attend and practice the Tulare County Council Special District Government Basic Training concepts.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo. However, the County does provide training that could be useful to any special district board member in Tulare County.

R2. The Board will have knowledge and training to enable compliance with both Generally Accepted Accounting Standards and Generally Accepted Government Auditing Standards.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

R3. Pursuant to Cal. Gov. Code §61050(b) and §61052(a), the Tulare County Treasurer shall become the treasurer of the RCSD, be the depository, and have custody of all district money.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

R4. The Board will require a legal advisor and financial consultant in attendance at Board meetings.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

If there are any questions regarding this response, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

Executive Officer

Tulare County Local Agency Formation Commission

Cc: Richgrove CSD

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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:

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

May 6, 2015

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Ben Giuliani, Executive Officer

SUBJECT: CALAFCO Request of Legislative Positions

ALTERNATES:
Mike Ennis

Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

Background

CALAFCO has requested that individual LAFCOs submit position letters on four bills. These bills include AB 851 (Mayes), AB 1532 Local Government Committee Omnibus Bill, AB 448 (Brown), SB 25 (Roth) and SB 239 (Hertzberg).

Discussion

AB 851 (Mayes) – Disincorporations

This bill is sponsored by CALAFCO and would update language in statute relating to disincorporations that has not been modified since 1963. Attached is a fact sheet developed by CALAFCO which reviews the bill in more detail. CALAFCO is requesting letters in support of this bill. A draft letter of support is attached.

AB 1532 - Local Government Committee Omnibus Bill

This is an annual bill sponsored by CALAFCO that would make non-substantive technical corrections to the Cortese-Knox-Hertzberg Reorganization Act (the governing act for LAFCOs). Attached is a list of the technical corrections. CALAFCO is requesting letters in support of this bill. A draft letter of support is attached.

SB 25 (Roth) – Local Government Finance: Vehicle License Fee Adjustments

This bill is identical to SB 69 (Roth) which was passed last year but vetoed by Governor Brown. This bill would reinstate VLF funding for cities that incorporated between January 1, 2004 and January 1, 2012 by providing for a VLF adjustment amount calculated on the basis of changes in assessed valuation. This bill specifically affects four cities incorporated in Riverside County during this time period. Attached is legislative analysis of the bill which gives the history of the funding shortfall for these cities. CALAFCO is requesting letters in support of this bill. A draft letter of support is attached.

AB 448 (Brown) – Local Government Finance: Vehicle License Fee Adjustments

This bill is identical to AB 1521 (Fox) which was passed last year but vetoed by Governor Brown. This is essentially a companion bill to SB 25 (Roth) which focuses on recently incorporated cities while this bill addresses VLF funding shortfalls for developed annexations during the same time period. CALAFCO is requesting letters in support of this bill. A draft letter of support is attached.

SB 239 (Hertzberg) – Local Services: Contracts: Fire Protection Services

This bill would circumvent local District Board and LAFCO authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts. CALAFCO is requesting letters in opposition to this bill. A draft letter of opposition is attached.

Recommendation

Authorize the Chair to sign the CALAFCO requested letters in support of AB 851, AB 1532, SB25 and AB 448 and in opposition to SB 239.

Attachments:

AB 851 fact sheet

AB 851 Letter of Support

AB 1532 list of changes

AB 1532 Letter of Support

SB 25 legislative history

SB 25 Letter of Support

AB 448 Letter of Support

SB 239 Letter of Opposition



SUMMARY:

In February 2014, the CALAFCO Board of Directors established legislative priorities for the 2015 legislative year, as recommended by the CALAFCO Legislative Committee (the Committee). The top priority was to work on cleaning up the code sections relating to the disincorporation process. A subcommittee of the Committee was formed and worked diligently to identify the code sections needing updating. The proposal was vetted several times through the Committee and again by the Board. At the Board's direction, CALAFCO secured an author and submitted the proposal. The bill, AB 851, authored by Assemblymember Chad Mayes, updates sections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the "Act") and Revenue & Taxation Code Section 99 related to disincorporations of cities.

PROBLEM STATEMENT AND BACKGROUND:

Although the Act has been updated numerous times since the inception of LAFCos in 1963, the statutes addressing disincorporations have not been touched. It is necessary that the statutory provisions of the Act governing disincorporations be brought into compliance with provisions in the State Constitution and the mandates of Propositions 13 and 218.

Prior to the Act, seventeen cities have disincorporated, each of which ended up reincorporating at a later time. Since the inception of the Act, only two cities have disincorporated. The City of Hornitos was disincorporated via special legislation in 1973, and the City of Cabazon in 1972 went through the disincorporation process prescribed in the Act. A recent attempt at a legislative disincorporation of the City of Vernon failed. Much has changed in State law since 1972 when the statutes were last used and there is no current precedent for a disincorporation. As the agency that is required to process the proposal or application for disincorporation, LAFCos have a vested interest in ensuring the processes are up-to-date, fair and reasonable for all entities involved, legal, and consistent across codes.

WHAT ARE THE SIGNIFICANT CHANGES?

Most significantly, this bill:

- Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken.
- Establishes the responsibilities of LAFCos in preparing a Comprehensive Fiscal Analysis for disincorporations; the determination of the exchange of property tax revenues previously received by the proposed disincorporating City; and the determination of the transfer of debt to a successor agency or agencies. The proposed disincorporation statutory changes uses the incorporation provisions as a template to propose changes in the disincorporation process.
- Retains LAFCos existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The ultimate success or failure of a proposal for disincorporation remains with the registered voters of the City proposed to be disincorporated.
- Addresses planning, zoning and permitting for the territory being disincorporated.

 Repeals a number of provisions that are no longer constitutional and moves other provisions to more appropriate sections pertaining to the particular process required for disincorporating.

WHAT ELSE DOES THE BILL DO?

The requirements outlined in the proposed disincorporation statutory changes retain the ability of a local LAFCo and applicable local agencies to tailor policies and procedures to address individual local circumstances.

WHAT DOESN'T THE BILL DO?

- The bill is not intended to encourage the use of the disincorporation process, nor is it intended to encourage cities to consider this as an option to relieve their fiscal emergencies. The ultimate success or failure of a proposal for disincorporation would remain with the registered voters of the City proposed to be disincorporated.
- The bill does not change the process of taking the final decision to a vote of the people.
- The bill does not impose new taxes.
- The bill does not diminish any LAFCo authority.

IS CALAFCO WORKING WITH STAKEHOLDERS AND ARE THERE AMENDMENTS PENDING?

Even before the bill's introduction, CALAFCO began working with key stakeholders, including the League of CA Cities (League), the California State Association of Counties (CSAC), California Special Districts Association (CSDA), Rural County Representatives of CA (RCRC), and the Urban County Caucus. CALAFCO has had a number of meetings with all of these groups (both collectively and individually) over the past several months.

As a result of this proactive outreach, a number of amendments have been agreed upon and incorporated into the bill. Most significantly:

- Revises proposed new Government Code Section 57426 to better align with the goals of counties once the territory being disincorporated has been reverted back to the county; and
- Revises proposed new Government Code Section 56816 to address the identification of a successor agency to the city's former redevelopment agency.

There are a series of other amendments, most of which are technical and non-substantive in nature. The amendments, agreed upon by CALAFCO and all stakeholders noted above, are being provided to Legislative Counsel for formal write-up on April 2. The amended bill is expected to be published prior to the expected hearing date of April 22, 2015.

CALAFCO will continue to work with stakeholders on additional amendments that may be required.

WHAT CAN MY LAFCO DO TO SUPPORT CALAFCO AND AB 851?

CALAFCO is asking for all of our members to send in a Letter if Support for AB 851. A copy of CALAFCO's Letter of Support (and Sponsorship) is included with the Fact Sheet for your LAFCo to use as a template. We would appreciate it if your letter was received by April 16 in order to be included in the Assembly Local Government Committee consultant's bill analysis.

Questions or comments related to this process can be submitted to the CALAFCO Executive Director, Ms. Pamela Miller, at (916) 442-6536 or by email at pmiller@calafco.org.

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

May 6, 2015

Assembly Member Chad Mayes California State Assembly State Capitol, Room 4144 Sacramento, CA 95814 COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:
Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

RE: AB 851 (Mayes) - Local Government: Organizations: Disincorporations -- SUPPORT

Dear Assembly Member Mayes:

The Tulare County Local Agency Formation Commission (LAFCo) is pleased to support Assembly Bill 851. The bill makes long overdue updates to the statutes relating to disincorporations of cities.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) establishes a Local Agency Formation Commission (LAFCo) in each California County to oversee proposed changes of organization for cities and districts throughout the state. Further, LAFCo is the entity that receives and processes proposals and applications for disincorporations. The statutes within the Act addressing the disincorporation process have not been updated since their creation in 1963.

The longer-term effects of the recession, the demise of redevelopment agencies, and the elimination of motor vehicle in-lieu fees for newly incorporated cities with SB 89 (2011, Committee of Budget and Fiscal Review) are having a substantial financial impact on cities throughout the State. In many instances this domino effect has rendered a number of cities insolvent. Many of those cities find themselves either having filed for bankruptcy or considering that path. As a last resort, some cities are considering disincorporation as an option.

A city can be disincorporated either through State legislative statute or by going through a local process. Prior to the Act, seventeen cities have disincorporated, each of which ended up reincorporating at a later time. Since the inception of the Act, only two cities have disincorporated. The City of Hornitos was disincorporated by State statute in 1973, and the City of Cabazon in 1972, who went through the disincorporation process as prescribed in the Act.

Much has changed in State law since 1972 when the statutes were last used and there is no current precedent for a disincorporation. As LAFCos are approached by cities inquiring about the disincorporation process, the Commissions and LAFCo staff determined that the statutes are out-of-date and in some cases no longer legal. As the agency that is required to process the proposal or application for disincorporation, LAFCos have a vested interest in ensuring the processes are up-to-date, legal, consistent across codes, and fair and reasonable for all entities involved.

This bill brings the statutes into compliance with the mandates of Propositions 13 and 218 and uses the incorporation provisions as a template to propose changes in the disincorporation process. Further, the bill:

- Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation;
- Establishes the parameters and requirements for the submission of the Plan for Service
 for a disincorporation proposal which outlines existing services, the proponent's plan for
 the future of those services, and whether or not a bankruptcy proceeding has been
 undertaken;
- Establishes the responsibilities of LAFCos in preparing a Comprehensive Fiscal Analysis
 for disincorporations; the determination of the transfer of property tax revenues previously
 received by the proposed disincorporating City; and the determination of the transfer of
 debt to a successor agency or agencies; and
- Retains LAFCos existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation.

This bill is not intended to promote the use of the disincorporation process, nor is it intended to encourage cities to consider this as an option to relieve their fiscal emergencies. The ultimate success or failure of a proposal for disincorporation remains with the registered voters of the City proposed to be disincorporated. The process of taking the final decision to a vote of the people will not change. This bill merely clarifies the required process to get to that point. CALAFCO has and will continue to meet with stakeholders in an effort to receive feedback and work through points of concern.

Because AB 851 provides the necessary clean-up of outdated statutes relating to the process of disincorporation, Tulare County LAFCo supports this bill. We thank you for authoring this important legislation and look forward to continuing to work with you, your staff and stakeholders in creating a piece of legislation that works for all interested parties.

Yours sincerely,

Juliet Allen Chair, Tulare County LAFCO

Cc: Members, Assembly Local Government Committee Misa Lennox, Associate Consultant, Assembly Local Government Committee William Weber, Consultant, Assembly Republican Caucus Pamela Miller, Executive Director, CALAFCO

AB 1532 – Local Government Committee Omnibus Bill – List of Changes

Government	Proposed Changes
Code Section	
56131.5	Deletes obsolete references to "hospital district" with correct references to "health care
	district" and corrects the name of the California Department of Health Care Services
56325, et al	Replaces the existing terms "designated" and "elected" with the term "appointed"
	relative to commission appointments, to properly reflect appointive versus process and
	to use consistent language throughout the various sections concerning appointments of
	commissioners
56327.3	Replaces existing incorrect reference (Section 56020) with the correct reference
	(Section 56021)
56327(d)	Clarifies the number of Commissioners on Santa Clara LAFCO if the Commission is
	expanded to include special district members
56375.3	Reorganizes the island annexation portion of the law, in a non-substantive manner, to
	correct a sequential numbering error
56383	Adds the words "or updating" to clarify that LAFCO may collect a fee for processing a
	proposal to update a SOI in addition to an amendment to a SOI
56384	Expands the definition of "conflict of interest" relating to Commission counsel to include
	State Bar rules on avoiding representation of adverse interests
56653	Clarifies that the "plan for services" required for filing a proposal for a change of
	organization or reorganization may include both existing services currently provided and
	new services that are planned to be extended into the affected territory
57002	Adds in a reference to Section 56662 regarding waiver of notice and public hearing
57075,	With respect to protest provisions, changes the word "and" to "or", to be consistent
57075.5	with other portions of the Act, and revises language to be consistent, both internally
	within Sections 57075 and 57075.5 and between the two sections
57177.5	Corrects existing language which incorrectly identifies a "certificate of termination of
	proceedings" as a "certificate of completion terminating proceedings"
57179	Clarifies existing language relative to issuing a certificate of termination of proceedings
	if the Commission votes do not constitute a majority of the Commission

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

May 6, 2015

Honorable Brian Maienschein, Chair Assembly Local Government Committee California State Assembly State Capitol, Room 4139 Sacramento, CA 95814 COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

RE: SUPPORT of AB 1532: Local Government Committee Omnibus Bill

Dear Assembly Member Maienschein:

The Tulare County Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 1532 which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of local agency formation commissions. These changes are necessary as commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1532 makes several minor technical changes, corrects obsolete and incorrect code references, and makes minor updates to outdated sections. Tulare County LAFCo is grateful to the members of our Legislative Committee and to your Committee and staff, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of local agency formation commissions. As always I am happy to provide any additional information needed.

Yours sincerely,

Juliet Allen Chair, Tulare County LAFCo

Cc: Members, Assembly Local Government Committee Misa Lennox, Associate Consultant, Assembly Local Government Committee William Weber, Consultant, Assembly Republican Caucus Pamela Miller, Executive Director, CALAFCO

SB 25 (Roth) – Legislative Analysis Background

In lieu of a property tax on motor vehicles, the state collects an annual Vehicle License Fee (VLF) and allocates the revenues, minus administrative costs, to cities and counties. In 1998, the Legislature began cutting the VLF rate from 2% to 0.65% of a vehicle's value. The State General Fund backfilled the lost VLF revenues to cities and counties. As part of the 2004-05 budget agreement, the Legislature enacted the "VLF-property tax swap," which replaced the VLF backfill from the State General Fund with property tax revenues that otherwise would have gone to schools through the Educational Revenue Augmentation Fund (ERAF). This replacement funding is known as the "VLF adjustment amount." The State General Fund backfills schools for their lost ERAF money.

The VLF-property tax swap did not reallocate extra property tax revenues to cities that were not in existence when the State was compensating cities for the difference between the 2% and 0.65% VLF rates. As a result, new cities received less VLF funding than they would have if they had incorporated before the VLF-property tax swap.

Advocates for cities asked the Legislature to reallocate a portion of existing cities' remaining VLF funds to new cities to help make new city incorporations financially feasible. In response, the Legislature passed AB 1602 (Laird, 2006), which changed the allocation of VLF funds to restore the VLF revenues for city incorporations that were lost under the VLF-property tax "swap." AB 1602's formula allocated \$50 per capita adjusted annually for growth.

Governor Brown's 2011 Realignment Proposal shifted the responsibility for some state public safety programs to local governments. The Legislature passed Senate Bill 89 (Committee on Budget and Fiscal Review, 2011), which re-calculated the Department of Motor Vehicle's administration fund to \$25 million and increased vehicle license registration by \$12 per vehicle to offset DMV's cut budget. SB 89 also eliminated VLF revenues allocated to cities and shifted those revenues to fund public safety realignment. Proposition 30 (2012) amended the Constitution to permanently dedicate a portion of the sales tax and VLF to local governments to pay for the programs realigned in 2011-12.

Four new cities incorporated after the Laird bill enacted new VLF funding allocations for new cities and before those allocations were repealed. The City of Wildomar incorporated on July 1, 2008. The City of Menifee incorporated on October 1, 2008. The City of Eastvale incorporated on October 1, 2010. Most recently, the City of Jurupa Valley officially incorporated on July 1, 2011, only two days after SB 89 repealed the VLF allocation formulas for new cities.

Advocates for cities argue that SB 89's elimination of VLF allocations creates fiscal hardships for cities that incorporated with the expectation that they would receive VLF revenues under the formulas enacted by the 2006 Laird bill.

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

May 6, 2015

Senator Richard Roth California State Senate State Capital Room 4034 Sacramento, CA 95814

Subject: Support of SB 25

Dear Senator Roth:

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

The Tulare County Local Agency Formation Commission (LAFCo) is pleased to support your bill SB 25. The bill reinstates allocations to recently incorporated cities consistent with the allocation formula those communities relied upon when making the decision to incorporate the affected territory. It was most unfortunate that your bill SB 69 (2014), which was unanimously passed by the Legislature, was ultimately vetoed by the Governor.

Tulare County LAFCo believes the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. SB 89 also created severe penalties for those communities which have recently voted to incorporate themselves. While SB 25 does not eliminate these disincentives and penalties for future incorporations, it makes whole the cities incorporated since 2004, and avoids the likely disincorporation or bankruptcies of these cities.

Reinstating revenues for incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate. Because SB 25 reinstates a critical funding component to cities incorporated between January 1, 2004 and January 1, 2012, Tulare County LAFCo supports this bill. Thank you for continuing to carry this important legislation.

Yours sincerely,

Juliet Allen Chair, Tulare County LAFCO

Cc: Members, Assembly Local Government Committee Brian Weinberger, Consultant, Senate Local Governance and Finance Committee Ryan Eisberg, Consultant, Senate Republican Caucus Pamela Miller, Executive Director, CALAFCO

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

May 6, 2015

Assemblymember Cheryl Brown California State Assembly State Capital Room 2136 Sacramento, CA 95814

Subject: Support of AB 448

Dear Assemblymember Brown:

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

The Tulare County Local Agency Formation Commission (LAFCo) is pleased to support your bill AB 448. The bill reinstates allocations to cities which recently annexed inhabited areas, consistent with the allocation formula those communities relied upon when making the decision to annex the affected territory. Furthermore the bill declares the act as an urgency statute which will take effect immediately. It was most unfortunate that AB 1521 (Fox, 2014), which was unanimously passed by the Legislature, was ultimately vetoed by the Governor.

The Tulare County LAFCo Board believes the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. SB 89 also created severe penalties for those communities which have recently voted to incorporate themselves.

Reinstating revenues for annexations and incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate or annex. Because AB 448 reinstates a critical funding component to inhabited annexations, Tulare County LAFCo supports this bill. Thank you for carrying this important legislation.

Yours sincerely,

Juliet Allen Chair, Tulare County LAFCO

Cc: Committee Members, Assembly Local Government Committee Misa Lennox, Associate Consultant, Assembly Local Government Committee William Weber, Consultant, Senate Republican Caucus Pamela Miller, Executive Director, CALAFCO

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

May 6, 2015

Senator Robert Hertzberg California State Senate State Capitol, Room 4038 Sacramento, CA 95814 COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

RE: SB 239 (Hertzberg) – Local Services: Contracts: Fire Protection Services -- OPPOSE

Dear Senator Hertzberg:

The Tulare County Local Agency Formation Commission (LAFCO) has reviewed your bill (SB 239), which establishes an entirely new hybrid process pursuant to which Local Agency Formation Commissions (LAFCos) will consider the extension, by contract or agreement, of fire protection services outside a public agency's boundaries. Based on our review, we must respectfully Oppose the bill at this time. Simply put, we find the current version of SB 239 flawed in various respects as follows:

- 1. Is Unnecessary in Light of Current Statutory Provisions/Amends the Wrong Provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH): The bill amendments, which not only revises several provisions in CKH, but also proposes to add entire new sections to CKH (including an entire new Article) related to the extension of fire services, by contract or agreement, outside a public agency's boundaries, are unnecessary. Specifically, Government Code section 56133, in CKH, already fully addresses the provision of all types of out of area service extensions by local public agencies and empowers LAFCos to independently consider all relevant factors associated with such requests prior to rendering a decision. Tulare County LAFCo fails to see why the provision of fire protection services, by contract or agreement, outside of a public agency's boundaries, requires a different level of review than other types of equally vital services or demands a heightened or weighted review from any commenter or affected agency. In sum, while Tulare County LAFCo believes that Government Code section 56133 fully addresses the issue of out of area services, any new provisions deemed necessary to specifically address the provision of out of area fire protection services should be included in 56133 instead of the statutory revisions and additions provided for in SB 239.
- 2. Would Unnecessarily Categorize the Provision of Extraterritorial Fire Protection Services as a "Change of Organization" under CKH and Unnecessarily Require the Same Level of Review Currently Required Only for Incorporations: Not only will the bill amendments make LAFCo's review of the provision of extraterritorial fire protection services under contract or agreement a "change of organization" under CKH, thereby triggering the tax exchange negotiation requirements of Revenue and Taxation Code section 99 and compliance with CEQA, but also will require LAFCo's review to entail activities currently only reserved for proposals involving incorporations. Specifically, the bill amendments introduced last week require LAFCos to undertake a comprehensive fiscal analysis---an analysis used by LAFCos to analyze whether the creation of an entirely new city is fiscally feasible. We want to point out that in great many instances the provision of any service (including fire protection services) outside an

agency's boundaries involves extension of services to a very limited area—sometimes just a few homes/properties or neighborhoods. In light of this, Tulare County LAFCo finds that requiring this level of review for provision of fire protection services outside an agency's boundaries excessive. The bill completely fails to demonstrate how the proposed requirements will be synthesized with all relevant code sections in CKH or the Revenue and Taxation Code thus creating future conflicts to its implementation.

- 3. Would for the First Time Require State Agencies to Obtain LAFCos Approval Authority: LAFCos are charged with "discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances." (Government Code section 56301, emphasis added.) Under CKH, the term "local agency" is defined as including only a county, city or district. While LAFCos actions certainly at times involve interaction with public agencies of all types, including the State of California and its state agencies, SB 239 would for the first time require a California state agency to apply for, and request LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement.
- 4. Would Remove Discretion From Elected and Appointed Boards of Public Agencies Throughout the State as Well as From State Agencies by Requiring Pre-Approval of Recognized Employee Associations That are Already Fully Protected by the Meyers Milias Brown Act (MMBA): The State legislature has provided for LAFCos to exist in each of the 58 counties for the purpose of promoting the efficient delivery of services and encouraging the orderly formation and development of local agencies. This structure ensures that all decisions are made in a transparent and orderly fashion and by locally elected and appointed officials representing the very agencies and voters affected by those decisions. To abrogate this critical function for a single category of services is not only inconsistent with CKH, but also obstructs the democratic process. Additionally, the rights of recognized employee associations is fully covered by the Meyers Milias Brown Act (MMBA), which already requires local agencies to "meet and confer" over decisions made by the agency that may result in changed work conditions. SB 239 would require each and every possible contract or agreement involving the provision of extraterritorial fire protection services to be "pre-approved" by the affected labor associations, not only prior to moving forward with any such contract or agreement, but also prior to seeking LAFCo approval. CALAFCO fails to see why such "pre-approval" is appropriate or necessary when the interests of labor are already protected by the MMBA.

Tulare County LAFCo is gravely concerned about the precedent being set in SB 239 by inappropriately and exclusively allowing fire protection services labor associations this kind of approval. Furthermore, removing local control and authority of agency Boards and LAFCo decisions goes against one of Tulare County LAFCo's core policies of preserving LAFCo authority and ability to make decisions and enact recommendations related to the delivery of services and the agencies providing those services. We believe that the current statutory provisions governing the review and/or approval of the provision of services outside an agency's boundaries more than fully provide LAFCos with the means to completely evaluate the feasibility, both from a fiscal and service level perspective. As a result, we must respectfully oppose SB 239.

Yours sincerely,

Juliet Allen Chair, Tulare County LAFCO

Cc: Members, Assembly Local Government Committee Brian Weinberger, Consultant, Senate Local Governance and Finance Committee Ryan Eisberg, Consultant, Senate Republican Caucus Christy Bouma, CA Professional Firefighters Association Pamela Miller, Executive Director, CALAFCO This page intentionally left blank.

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

April 27, 2015

City of Porterville 291 N Main St Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-01 (City of Porterville/Aguinga)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 23rd, 2015, (ESA No. 2015-01), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the City of Porterville to provide municipal water service for existing development at 1288 S. Second Street (APN 270-160-006). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #476, LAFCO Case 1514-P-315).

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

Sincerely,

Benjamin Giuliani, Executive Officer

Tulare County LAFCO

Cc: Ramiro Aguiniga

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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COMMISSIONERS:
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Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

April 27, 2015

City of Porterville 291 N Main St Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-02 (City of Porterville/Luther)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 23rd, 2015, (ESA No. 2015-02), 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 City of Porterville to provide municipal water service for existing development at 260 and 244 E Worth Avenue (APNs 270-010-012 and -013). The affected parcels are also included in an area that is proposed to be annexed by the City (Annexation #476, LAFCO Case 1514-P-315).

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

Sincerely.

Benjamin Giuliani, Executive Officer

Tulare County LAFCO

Cc: Doug and Margie Luther

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

April 27, 2015

City of Porterville 291 N Main St Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-03 (City of Porterville/Andrade)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 23rd, 2015, (ESA No. 2015-03), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the City of Porterville to provide municipal water service for existing development at 92 E Yates Avenue (APN 270-150-006). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #476, LAFCO Case 1514-P-315).

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

Sincerely,

Benjamin Giuliani, Executive Officer

Tulare County LAFCO

Cc: Salvador and Consuelo Andrade

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

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

ALTERNATES:
Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

April 28, 2015

City of Porterville 291 N Main St Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-04 (City of Porterville/Lozano)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 28th, 2015, (ESA No. 2015-04), 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 City of Porterville to provide municipal water service for existing development at 373 and 375 E Worth Avenue (APN 270-130-005). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #476, LAFCO Case 1514-P-315).

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

Sincerely,

Benjamin Giuliani, Executive Officer

Tulare County LAFCO

Cc: Sonia Lozano

AFCO

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

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

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

April 28, 2015

City of Porterville 291 N Main St Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-05 (City of Porterville/Prieto)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 28th, 2015, (ESA No. 2015-05), 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 City of Porterville to provide municipal water service for existing development at 1674 N. Prospect Street (APN 243-210-022). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #478, LAFCO Case 1515-P-316).

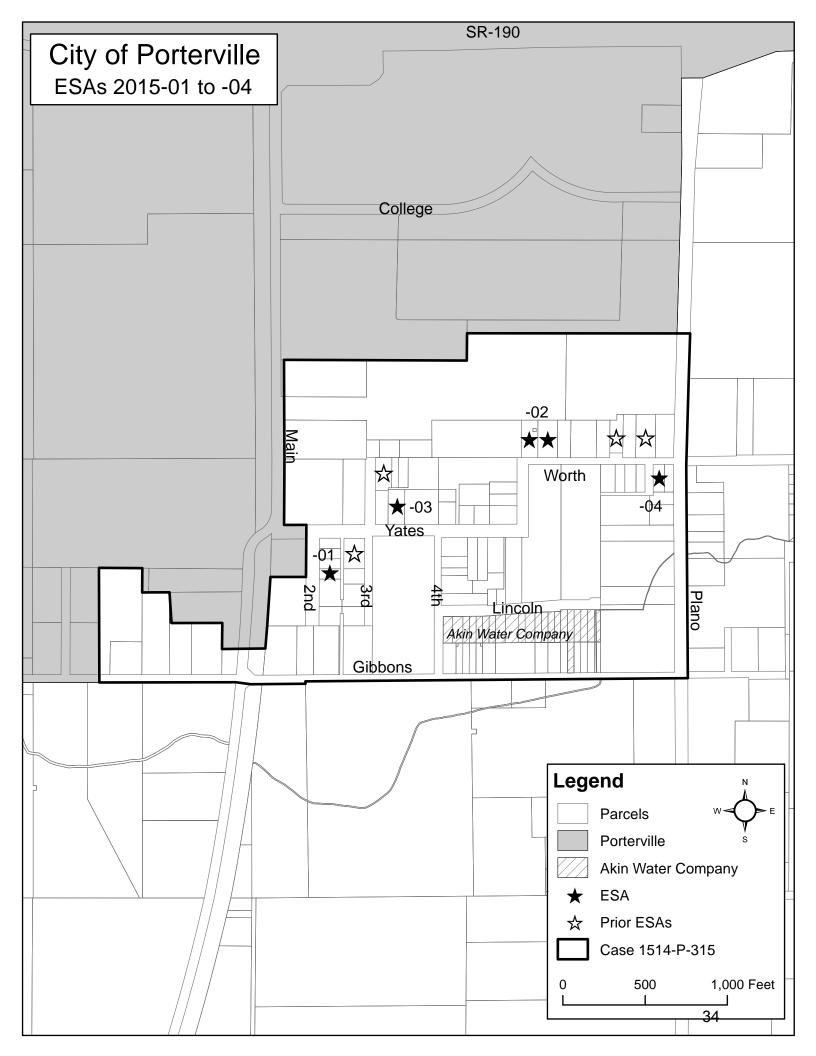
Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

Benjamin Giuliani, Executive Officer

Tulare County LAFCO

Cc: Santyna Prieto





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LAFCO

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

COMMISSIONERS:

Juliet Allen, Chair Rudy Mendoza, V-Chair Allen Ishida Cameron Hamilton

Steve Worthley

May 6, 2015

TO: LAFCO Commissioners, Alternates, Counsel

FROM: Ben Giuliani, Executive Officer

SUBJECT: Amendment to Policy D-1 (Conflict of Interest and Disclosure

Requirements)

ALTERNATES: Mike Ennis Dennis Mederos Craig Vejvoda

EXECUTIVE OFFICER: Ben Giuliani

Background

Government Code section 87100, et al, contains California's conflict of interest laws which include provisions regarding the filing of Form 700s (Statements of Economic Interests). Currently, Tulare County LAFCo policy requires the annual filing of Form 700 during the month of January for the prior calendar year. This is more restrictive than the current April 1st deadline as set by the California Fair Political Practices Commission (FPPC).

Discussion

Government Code §87203 states the following:

Every person who holds an office specified in Section 87200 shall, each year at a time specified by commission regulations, file a statement disclosing his investments, his interests in real property and his income during the period since the previous statement filed under this section or Section 87202.

Tulare County LAFCo Policy D-1.5(D) states the following:

All designated employees shall file annual statements during the month of January of each year. Such annual statements shall cover the period of the preceding calendar year.

The FPPC currently sets a deadline of April 1st for the filing of Form 700s for city and county officials. GC §87203 gives the FPPC flexibility to determine the deadlines.

The following amendment to LAFCo policy is proposed:

All designated employees shall file annual statements by the date determined by the California Fair Political Practices Commission. Such annual statements shall cover the period of the preceding calendar year.

The proposed amendment will be brought back to the Commission for action at the June 3rd meeting.

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CALAFCO Daily Legislative Report as of Tuesday, April 28, 2015

AB 402 (Dodd D) Local agency services: contracts.

Current Text: Introduced: 2/19/2015 pdf html

Introduced: 2/19/2015

Status: 3/2/2015-Referred to Com. on L. GOV.

Calendar: 5/13/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL

GOVERNMENT, MAIENSCHEIN, Chair

Summary: Would allow a local agency formation commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also make technical and conforming changes.

Position: Watch

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

CALAFCO Comments: As written, this bill expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth; and (3) a later change of organization is not expected or desired based on local policies. Further, the bill clarifies LAFCo's sole authority in determining the application of the statute, and deemphasizes the approval of contracts and emphasizes the approval of service extensions. CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. This is not a CALAFCO sponsored bill. Assembly member Dodd is a former Napa LAFCo Commissioner.

<u>AB 448</u> (<u>Brown</u> D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 2/23/2015 pdf html

Introduced: 2/23/2015

Status: 4/22/2015-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 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 AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

AB 851 (Mayes R) Local government: organization: disincorporations.

Current Text: Amended: 4/13/2015 pdf html

Introduced: 2/26/2015 **Last Amended:** 4/13/2015

Status: 4/23/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 22).

Re-referred to Com. on APPR.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization, by submitting a resolution of application to a local agency formation commission, to also

submit a plan for providing services within the affected territory, as specified. This bill would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation.

Position: Sponsor

Subject: CKH General Procedures, Disincorporation/dissolution

CALAFCO Comments: Sponsored by CALAFCO. As introduced, this bill addressed the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963. This bill does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3)Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. Further, the bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.

AB 1532 (Committee on Local Government) Local government: omnibus.

Current Text: Introduced: 3/23/2015 pdf html

Introduced: 3/23/2015

Status: 4/6/2015-Referred to Com. on L. GOV.

Calendar: 5/6/2015 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL

GOVERNMENT, MAIENSCHEIN, Chair

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district. This bill would update obsolete references to a "hospital" district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization

Act of 2000. This bill makes nonsubstantive technical clean-up corrections to the Act.

SB 25 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Introduced: 12/1/2014 pdf html

Introduced: 12/1/2014

Status: 4/20/2015-April 20 hearing: Placed on APPR. suspense file.

Summary: Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Identical to SB 69 (Roth) from 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 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

SB 239 (Hertzberg D) Local services: contracts: fire protection services.

Current Text: Amended: 4/23/2015 pdf html

Introduced: 2/17/2015 **Last Amended:** 4/23/2015

Status: 4/23/2015-From committee with author's amendments. Read second time and amended. Re-

referred to Com. on GOV. & F.

Calendar: 4/29/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG,

Chair

Summary: Current law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under current law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances. This bill would permit a public agency to exercise new or extended services outside the public agency's current service area pursuant to a fire protection reorganization contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county.

Position: Oppose

Subject: CKH General Procedures, Municipal Services

CALAFCO Comments: While amendments for fire protection service extensions have been moved into the proper section of 56133, there are still a number of problems with the policies proposed. As amended, this bill still circumvents local District Board and LAFCo authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts. The bill calls for a Fire Protection Reorganization Contract to be submitted with the application, thereby confusing a service extension with a reorganization. It is required for applications that (1) Transfer greater than 25% of the service area or (2) Changes the employment status of more than 25% of employees of any affected agencies. Prior to submitting the application for service extension, all affected agency employee unions must approve the request and conduct a public hearing. The bill requires contents of the Contract Plan to include: (1) Cost of providing services to be extended; (2) Cost to customers; (3) an ID of existing service providers; (4) Financing plan; (5) Alternatives to the extension; and (6) A comprehensive Fiscal Analysis. It further requires the CFA to include (1) Cost to provide services for three years; (2) Cost comparison; (3) Estimated revenue for three years; and (4) Cost/revenue effects to any affected agency.

The bill also outlines determinations the commission must make that include the provider of services for the extension of service will build a "reasonable reserve" during the three years following the effective date of the contract. This new requirement is highly subjective and ambiguous as it is undefined and sets a precedent.

The amendments do little to address CALAFCO's primary concerns that this is not only bad policy, but unnecessary in that 56133 already addresses service extensions. Further, the bill continues to remove discretion from elected and appointed Boards of public agencies as well as from state agencies by requiring pre-approval of unions that are already fully protected by the Meyers Milias Brown Act (MMBA). The bill also requires a California state agency to apply for, and request LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. This sets another precedent. Finally, the bill addresses only one type of service provider, which fails to address the concern of why the provision of fire protection services, by contract or agreement, outside of a public agency's boundaries, requires a different level of review than other types of equally vital services or demands a heightened or weighted review from any commenter or affected agency.

SB 272 (Hertzberg D) The California Public Records Act: local agencies: inventory.

Current Text: Amended: 4/6/2015 pdf html

Introduced: 2/19/2015 Last Amended: 4/6/2015

Status: 4/24/2015-Set for hearing May 4.

Calendar:

5/4/2015 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

Summary: Would require each local agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site. The bill would require the catalog to disclose a list of the enterprise systems utilized by the agency, and, among other things, the current system vendor and product. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFCo Administration, Public Records Act

CALAFCO Comments: As amended, this bill requires all local agencies (including LAFCo) to create a catalogue of enterprise systems used by that agency and make that catalogue available to the public. For purposes of the bill, the author defines enterprise systems as a system that both (1) is a multi-departmental system or system containing information collected about the public; AND (2) a system of record for that agency. Further, the bill defines a system of record as a system that serves as an original source of data within an agency. The bill requires certain pieces of information be disclosed including (1) Current system vendor; (2) Current system product; (3) A brief statement of the system's purpose; (4) A general description of categories, modules, or layers of data; (5) The department that serves as the system's primary custodian; (6) How frequently system data is collected; and (7) How frequently system data is updated.

AB 3 (Williams D) Isla Vista Community Services District.

Current Text: Amended: 4/27/2015 pdf html

Introduced: 12/1/2014 Last Amended: 4/27/2015

Status: 4/27/2015-From committee chair, with author's amendments: Amend, and re-refer to Com. on L.

GOV. Read second time and amended.

Calendar: 5/6/2015 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL

GOVERNMENT, MAIENSCHEIN, Chair

Summary: Would establish the Isla Vista Community Services District and would specify the services that district would be authorized to provide, including, among others, the power to create a tenant mediation program and to exercise the powers of a parking district. This bill contains other related provisions.

Position: Oppose unless amended

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: As amended, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). Addressed in the amendments are the services that would be provided, but not the formation process, governance or financing mechanisms. This authority would completely bypass the LAFCo process in the creation of this special district. CALAFCO issued a letter of concern on the intent language on December 20, 2014.

AB 707 (Wood D) Agricultural land: Williamson Act contracts: cancellation.

Current Text: Amended: 4/6/2015 pdf html

Introduced: 2/25/2015 Last Amended: 4/6/2015

Status: 4/16/2015-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 10. Noes 0.) (April

15). Re-referred to Com. on L. GOV.

Calendar: 4/29/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL

GOVERNMENT, MAIENSCHEIN, Chair

Summary: Would provide that the authority for the landowner and the Department of Conservation to agree on the cancellation value of the land does not apply to a contract between a landowner and a city or county if that contract includes an additional cancellation fee, as specified.

Position: Watch

Subject: Ag Preservation - Williamson

CALAFCO Comments: As written, this bill repeals the provision that allows cancellation of the valuation

of the land.

AB 168 (Maienschein R) Local government finance.

Current Text: Introduced: 1/22/2015 pdf html

Introduced: 1/22/2015

Status: 1/23/2015-From printer. May be heard in committee February 22.

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: Placeholder - monitor

Subject: Tax Allocation

CALAFCO Comments: This is a spot bill. No information is available on the author's intent at this time.

AB 369 (Steinorth R) Local government.

Current Text: Introduced: 2/17/2015 pdf html

Introduced: 2/17/2015

Status: 2/18/2015-From printer. May be heard in committee March 20.

Summary: The Planning and Zoning Law establishes in each city and county a planning agency with the powers necessary to carry out the purposes of that law. Current law sets forth the Legislature's findings and declarations regarding the availability of affordable housing throughout the state. This bill would make nonsubstantive changes to those findings and declarations.

Position: Placeholder - monitor

CALAFCO Comments: This is a spot bill. No information is available at this time regarding the author's intent for the bill. CALAFCO will monitor for amendments.

AB 541 (Dahle R) Big Valley Watermaster District Act.

Current Text: Introduced: 2/23/2015 pdf html

Introduced: 2/23/2015

Status: 3/5/2015-Referred to Com. on L. GOV.

Summary: Would create a watermaster district with unspecified boundaries within the Counties of Lassen and Modoc to be known as the Big Valley Watermaster District. The bill would generally specify the powers and purposes of the district. The bill would prescribe the composition of the board of directors of the district. The bill would require the district to provide watermaster service on behalf of water right holders whose place of use under an appointed decree, as defined, is a parcel of real property within the district.

Position: Watch

Subject: LAFCo Administration, Special District Powers, Water

AB 568 (Dodd D) Reclamation District No. 108: hydroelectric power.

Current Text: Introduced: 2/24/2015 pdf html

Introduced: 2/24/2015

Status: 4/9/2015-From committee: Do pass and re-refer to Com. on U. & C. (Ayes 9. Noes 0.) (April 8).

Re-referred to Com. on U. & C.

Calendar: 5/4/2015 3 p.m. - State Capitol, ASSEMBLY UTILITIES & COMMERCE, RENDON, Chair **Summary:** Current law authorizes Reclamation District No. 1004, in conjunction with the County of Colusa, to construct, maintain, and operate a plant, transmission lines, and other necessary or appropriate facilities for the generation of hydroelectric power, as prescribed. Current law requires proceeds from the sale of electricity to be utilized to retire any time warrants issued for construction of the facilities and otherwise for the powers and purposes for which the district was formed. This bill would grant the above-described hydroelectric power authority to Reclamation District No. 108.

Position: Watch

Subject: Special District Powers

AB 656 (Garcia, Cristina D) Joint powers agreements: mutual water companies.

Current Text: Introduced: 2/24/2015 pdf html

Introduced: 2/24/2015

Status: 4/22/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

Calendar: 4/29/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL

GOVERNMENT, MAIENSCHEIN, Chair

Summary: Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

Position: Watch Subject: Other

CALAFCO Comments: As written, the bill gives the ability to two or more mutual water companies, or a mutual water company and a public agency to enter into a joint powers agreement. The bill limits the purpose of such a joint powers agreement to either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

SB 13 (Pavley D) Groundwater.

Current Text: Amended: 4/23/2015 pdf html

Introduced: 12/1/2014 Last Amended: 4/23/2015

Status: 4/27/2015-Read second time. Ordered to third reading.

Calendar: 4/30/2015 #60 SENATE SENATE BILLS-THIRD READING FILE

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

Position: Watch Subject: Water

CALAFCO Comments: While this bill has no direct affect on LAFCos, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will watch the bill.

SB 181 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 pdf html

Introduced: 2/9/2015

Status: 4/16/2015-In Assembly. Read first time. Held at Desk.

Summary: This bill would enact the First Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts,

agencies, and entities. This bill contains other related provisions.

Position: Support **Subject:** Other

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

SB 182 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 pdf html

Introduced: 2/9/2015

Status: 4/16/2015-In Assembly. Read first time. Held at Desk.

Summary:

This bill would enact the Second Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: Support **Subject:** Other

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

SB 183 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 pdf html

Introduced: 2/9/2015

Status: 4/16/2015-In Assembly. Read first time. Held at Desk.

Summary: This bill would enact the Third Validating Act of 2015, 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:** Other

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

SB 184 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Amended: 4/16/2015 pdf html

Introduced: 2/9/2015 Last Amended: 4/16/2015

Status: 4/24/2015-Set for hearing April 29.

Calendar: 4/29/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE & FINANCE, HERTZBERG, Chair Summary: Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. This bill makes changes to the duties and processes of the County Recorder. The bill would also make changes to the Subdivision Map Act and the Uniform Public Construction Cost Accounting Act. This bill contains other related provisions.

Position: Watch Subject: Other

CALAFCO Comments: This bill is the Senate Governance & Finance Committee's annual Omnibus bill. This bill is intended to make technical, non-substantive changes to the Government Code outside of CKH.

SB 226 (Pavley D) Sustainable Groundwater Management Act: groundwater rights.

Current Text: Amended: 4/6/2015 pdf html

Introduced: 2/13/2015 Last Amended: 4/6/2015

Status: 4/21/2015-Set for hearing April 28.

Calendar: 4/28/2015 9:30 a.m. - Rose Ann Vuich Hearing Room (2040) 1:30 p.m. - John L. Burton

Hearing Room (4203) (TELEVISED STARTING AT 1:30 P.M.) SPECIAL ORDER AT 1:30

P.M. SENATE JUDICIARY, JACKSON, Chair

Summary: The bill would provide that a court shall use the Code of Civil Procedure for determining rights to groundwater, except as provided by the special procedures established in the bill. This bill would require the process for determining rights to groundwater to be available to any court of competent jurisdiction. The bill would provide that it applies to Indian tribes and the federal government. The bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified. This bill contains other existing laws and other provisions.

Position: Placeholder - monitor

Subject: Water

CALAFCO Comments: This is a spot bill to address groundwater rights relating to the new Sustainable Groundwater Management Agencies.

SB 393 (Nguyen R) Local agencies.

Current Text: Introduced: 2/25/2015 pdf html **Status:** 3/5/2015-Referred to Com. on RLS.

Summary: Current law, 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 technical, nonsubstantive changes to the above-described law.

Position: Placeholder - monitor **Subject:** CKH General Procedures

CALAFCO Comments: This is a spot bill. According to the author's office, it has been introduced by the Senator on behalf of the Republican Caucus as a local government spot bill (Senator Nguyen is the Vice Chair of the Senate Gov & Finance Comm). CALAFCO will monitor.

SB 422 (Monning D) Santa Clara Valley Open-Space Authority.

Current Text: Amended: 4/14/2015 pdf html

Introduced: 2/25/2015 Last Amended: 4/14/2015

Status: 4/23/2015-Read second time. Ordered to consent calendar.

Calendar: 4/30/2015 #79 SENATE CONSENT CALENDAR-SECOND LEGISLATIVE DAY

Summary: Current law authorizes the Santa Clara County Open-Space Authority to take by eminent domain any property necessary or convenient to accomplish the purposes of the authority, with the exception of lands in active ranching, lands in agricultural production, and lands in timberland production zones that are not threatened by imminent conversion to developed uses. This bill would, in addition, authorize the authority to acquire, but not to take by eminent domain interests in real property that are outside of the authority's jurisdiction, necessary to the full exercise of its powers.

Subject: Special District Powers

SB 485 (Hernandez D) County of Los Angeles: sanitation districts.

Current Text: Introduced: 2/26/2015 pdf html

Introduced: 2/26/2015

Status: 4/24/2015-Set for hearing May 6.

Calendar: 5/6/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE & FINANCE, HERTZBERG, Chair **Summary:** The County Sanitation District Act authorizes a sanitation district to acquire, construct, and complete certain works, property, or structures necessary or convenient for sewage collection, treatment, and disposal. This bill would authorize specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. This bill contains other related provisions.

Subject: Special District Powers

SB 552 (Wolk D) Public water systems: disadvantaged communities: drinking water

standards.

Current Text: Amended: 4/16/2015 pdf html

Introduced: 2/26/2015 Last Amended: 4/16/2015

Status: 4/16/2015-From committee with author's amendments. Read second time and amended. Re-

referred to Com. on E.Q.

Calendar:

4/29/2015 9 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary: Would require, by January 1, 2017, the State Water Resources Control Board to develop a report identifying specific funding and enforcement mechanisms necessary, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.

Position: Watch

Subject: Disadvantaged Communities, Water