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AGENDA REPORT Business | Action

August 6, 2018

TO: San Diego Commissioners
FROM: Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst
SUBJECT: Legislative Report

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive a report from staff on the current status of legislative bills of interest to the Commission. This includes the six bills with adopted Commission positions and headlined by Assembly Bill 2050 – Small System Water Authority Act of 2018 – and its provisions to expedite consolidation of non-compliant public or private small drinking water systems into a new public agency. The report is being presented primarily for discussion with the ability of the Commission to take additional action as needed.

BACKGROUND

Legislative Resources

San Diego LAFCO draws on its active participation with CALAFCO in considering legislative matters affecting the Commission's ability to effectively administer its regulatory and planning responsibilities. The CALAFCO Legislative Committee comprises nearly two dozen members across the state – including San Diego LAFCO's current Chair and Chief Policy Analyst – and is tasked with drafting and/or reviewing proposed legislation and related items. San Diego LAFCO relies on the information and analysis generated from the CALAFCO Legislative Committee in making its own position recommendations relative to local needs and interests.

Key Legislative Dates

The Legislature went into summer recess on July 6th and will reconvene on August 6th. The last day for bills to be approved in both houses in this session is August 31st. September 30th is the last day for the Governor to sign or veto bills passed by the Legislature and in the Governor's possession on or after September 1st.

DISCUSSION

This item is for San Diego LAFCO to receive a summary of current bills and related matters of interest. This includes bills with adopted Commission positions and letters issued to the respective authors. The following discussion is intended to aid the review and summarizes (a) current CALAFCO Legislative Committee activities and (b) specific bills of interest as identified by staff, with Commission adopted positions.

CALAFCO Legislative Committee

CALAFCO's Legislative Committee last met on June 18th, 2018 to discuss tracked legislation and gather feedback on recent amendments. The Committee discussed a number of amendments and generally agreed on maintaining adopted positions for the various tracked legislation. The CALAFCO adopted bill positions are included in the discussion below and are summarized on Attachment One.¹

Bills of Interest

AB 2050 (Caballero) | Small System Water Authority Act of 2018

AB 2050 would authorize the State Water Resources Control Board to order formation of a public agency that will have powers to absorb, improve, and competently operate public water systems that have either less than 3,000 service connections or serve less than 10,000 people and are not in compliance with applicable drinking water standards as of December 31, 2018. The affected public/private small water systems would be dissolved and consolidated to form a new type of public agency: a Small System Water Authority (SSWA). The bill requires consolidation of a minimum of five local non-compliant public/private small water systems in order to create an SSWA with sufficient economies of scale to remedy the violations of drinking water standards. Following the submittal of a formation application and plan for services to LAFCO, the Commission would be required to approve the SSWA formation with or without conditions. CALAFCO has coordinated closely with the sponsor/author and has provided proposed revisions to the most recent version of the bill. The bill is currently in the Senate Appropriations Committee and was most recently amended on July 2, 2018. CALAFCO has taken a Support position.

¹ The next scheduled CALAFCO Legislative Committee meeting is August 18th. Staff will participate and provide an update to the Commission at the September 10th LAFCO meeting on any amendments or status changes to the tracked legislation.

Staff Discussion on AB 2050

The CALAFCO Legislative Committee formed a subcommittee in early 2018 to address concerns regarding AB 2050's proposed formation of a new type of public agency and to clarify LAFCO's role in the process. CALAFCO continues to work closely with the author and co-sponsors (the California Municipal Utilities Association and the Eastern Municipal Water District) as the bill moves forward. Supporters of the bill include the San Diego County Water Authority, the California Special Districts Association, and the California State Association of Counties. With respect to local impact, as of January 2018, there are 11 small drinking water systems in San Diego County identified as non-compliant with drinking water standards and potentially subject to the AB 2050 consolidation provisions. The 11 affected local drinking water systems include two public agencies: the Decanso Community Services District (CSD) and the Warner Springs Unified School District; and nine private water corporations, including mutual water companies and RV/Mobile Home Parks. The non-compliant private systems are located in the unincorporated communities of Alpine, Borrego Springs, Guatay, Pauma Valley, and Ramona. As AB 2050 may provide State funding for rectifying these local non-compliant drinking water systems, the Commission adopted a Support position at the May 7th meeting. A letter of support has been sent to the bill Author and the Executive Director of CALAFCO.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Senate Appropriations Committee, August 6, 2018

AB 2238 (Aguiar-Curry) | Proposal Review Factors: Hazard Mitigation Plan: Safety Element

The Cortese-Knox-Hertzberg Act of 2000 specifies required factors of review for consideration of proposals involving changes of organization or reorganization, including consistency with city or county general and specific plans. This bill would add a review factor requiring LAFCOs to also consider any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone or land determined to be in a state responsibility area, as provided. The bill has passed the Assembly and is currently in the Senate Appropriations Committee. CALAFCO has taken a Support position.

Staff Discussion on AB 2238

Following the wildfires throughout the state over the past several years, this bill seeks to add another proposal review factor for LAFCO consideration regarding information contained in a local hazard mitigation plan, a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area. As San Diego County has been historically subject to numerous wildfires, this review factor, if approved, may be of interest in regards to local conditions and safety concerns.

San Diego LAFCO Position: Watch

Bill Status: Senate Appropriations Committee, August 6, 2018

AB 2258 (Caballero) | Strategic Growth Council Grant Program

This CALAFCO-sponsored bill follows up on the 2017 Little Hoover Commission recommendation for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers for the purpose of creating streamlined local government services and improved efficiency in service delivery. This bill would require the Strategic Growth Council (SGC), until January 1, 2024, to establish and administer a LAFCO grant program for the payment of costs associated with preparation of special studies, initiation and completion of actions to dissolve inactive districts, development and implementation of reorganization plans, or incentivizing service providers to assist LAFCO in development and implementation of reorganization plans. The bill also changes the protest threshold for LAFCO initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCO to order the dissolution of a district (outside of the ones identified by the State Controller's Office) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or reorganization pursuant to this section, the protest threshold would be 25% rather than 10%, in accordance with Government Code Section 57075. Recent amendments taken in Senate Governance & Finance and Natural Resources & Water narrow the scope of the bill to focus on service providers serving disadvantaged communities; will require LAFCO pay back grant funds in their entirety if the study is not completed within two years; and will require the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of Sustainable Communities Strategies. Other amendments pending are clarifying the language regarding inactive districts and changing the protest thresholds to mirror Elections Code Section 11221 so that they are a sliding scale in relation to the total number of registered voters within the subject territory. CALAFCO is working with the Strategic Growth Council in preparing the grant funding process and the bill was most recently amended on July 2, 2018. The bill is currently in the Senate Appropriations Committee. CALAFCO has taken a Support position.

Staff Discussion on AB 2258

AB 2258 would provide grant funding opportunities for local LAFCOs to prepare studies that identify potential service efficiencies and/or determine potential alternatives for improving efficiency and affordability of infrastructure and service delivery. The grant program would also provide funding for LAFCO-initiated actions based on determinations from such studies. There are a number of ongoing local efforts in San Diego County involving potential consolidation or merger of special districts to achieve infrastructure and service delivery efficiencies. However, recent amendments to the bill reducing the potential grant funding opportunities to only entities serving disadvantaged communities may limit the local applicability of the program. The Commission adopted a Support position at the May 7th meeting. A letter of support has been sent to the bill Author and the Executive Director of CALAFCO.

San Diego LAFCO: Support, letter sent to Author

Bill Status: Senate Appropriations Committee, August 6, 2018

AB 3254 (ALGC) | Omnibus Bill

This is the annual Assembly Local Government Committee (ALGC) bill that addresses issues involving the Cortese-Knox-Hertzberg Act and LAFCO. The annual bill addresses non-controversial or clarification issues. Notable items in the bill include redefining the terms “affected territory” and “inhabited territory.” This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act. AB 3254 is a CALAFCO-sponsored bill and the Legislative Committee has reviewed and approved its contents. The Commission adopted a Support position at the May 7th meeting. The bill has been approved and was signed by the Governor on July 2, 2018.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Signed by Governor on July 2, 2018

SB 1215 (Hertzberg) | Sewer Systems: Consolidation & Extension of Service

This bill would authorize the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances and after making specific findings. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems. This bill would also authorize the state board to set timeline and performance measures to facilitate completion of extension of service of drinking water. The bill was last amended on July 2nd. The bill is presently in the Senate Appropriations Committee. CALAFCO has taken a Watch with Concerns position.

Staff Discussion on SB 1215

This bill would authorize the State Board to order the extension of the provision of sewer service to a disadvantaged community by a city or county. The bill would also authorize the State Board to order annexation of a disadvantaged community with a receiving sewer system of a special district. A disadvantaged community is defined in the Water Code as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. San Diego County contains a number of qualifying disadvantaged communities, as identified in the Disadvantaged Unincorporated Communities program. The bill states that funding for implementation of a State Board order to extend sewer service or annex for sewer service is dependent on appropriation by the Legislature. In addition, the bill exempts the provision of sewer service ordered by the State Board from the provisions of the Cortese-Knox-Hertzberg Act. Therefore, the Commission may consider taking a Watch with Concerns position similar to CALAFCO.

Recommended Position: Watch with Concerns

Bill Status: Senate Appropriations Committee

SB 623 (Monning) | Safe and Affordable Drinking Water Fund

This two-year bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that monies in the fund are continuously appropriated to the State Water Resources Control Board. The measure is intended to fill gaps in funding for disadvantaged communities and low-income residents without access to safe drinking water. The funding mechanisms would include: 1) agricultural fees in the context of nitrate contamination in groundwater; and 2) a fee collected by local water agencies on drinking water meters serving residential, business, industrial and governmental customers. The bill would require the Board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the State Board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies. CALAFCO has taken a Watch with Concern position.

Staff Discussion on SB 623

SB 623 is identified as a trailer bill that allows for its approval with the budget on a simple majority vote by the Legislature. The bill involves the imposition of a fee (or tax) on water meters to provide a funding source for addressing non-compliant small drinking water systems, and as such would normally require 2/3 approval for passage. While the bill is intended to address the health and safety of customers residing in non-compliant small drinking water systems, the use of the trailer bill process to implement the fee on water meters avoids the higher level of required approval for such bills and eliminates the need for policy committee hearings as a budget-related bill. For these reasons and others, the Association of California Water Agencies has taken an Oppose-Unless-Amended position on SB 623. A watch position is generally recommended to the Commission for non-LAFCO related bills; however, staff feels that the State needs to holistically look at disadvantaged unincorporated communities (DUCs), non-compliant small drinking water systems, and related services and funding. The use of the budget trailer bill process to impose a tax on water meters muddles rather than helps the efforts to address these policy issues. Accordingly, the Commission approved an Oppose position at the May 7th meeting. In response to the numerous letters of opposition, SB 623 was dropped from the Budget Bill that was signed by the Governor on June 27, 2018.

San Diego LAFCO Position: Oppose, letter sent to Author

Bill Status: SB 623 was dropped from the Budget Bill that was signed on June 27, 2018

AB 1944 (Garcia) | San Luis Rey Valley Groundwater Basin

The Sustainable Groundwater Management Act (SGMA) requires all groundwater basins designated by the Department of Water Resources as high- or medium-priority basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan by January 31, 2020. SGMA also provides a definition for groundwater that does not include water beneath the surface that is considered a subterranean stream

flowing through known and definite channels. This bill would divide the San Luis Rey Valley Groundwater Basin into an upper and lower subbasin, as prescribed, and would designate the local subbasins as medium priority until the department reassesses basin prioritization. The bill would also amend SGMA to include the subterranean streams beneath the surface of the ground within the Upper San Luis Rey Valley Groundwater Subbasin as groundwater for the purposes of the Act. Groundwater extracted and used as authorized under an existing appropriative water right would be exempt from a groundwater sustainability plan. CALAFCO is not tracking this bill.

Staff Discussion on AB 1944

As the Upper San Luis Rey Valley Groundwater Subbasin has been previously designated as a subterranean stream, access to that groundwater is subject to the same permitting requirements as diversions from surface water. AB 1944 is intended to align updated knowledge of groundwater basins and subterranean streams with the requirements of SGMA. The bill is a local effort by stakeholders to better manage the local groundwater basin going forward and ahead of SGMA. According to the author, “Due to the unique factors present only in the San Luis Rey Valley Basin, the Sustainable Groundwater Management Act should be amended to achieve its purposes,” therefore it is pertinent to the Commission to assume a key and pending aspect underlying the successful implementation of SGMA in the San Luis Rey Valley is the formation and/or reorganization of a special district to provide effective and proportional governance of the management system going forward. For these reasons, the Commission approved a Support position at the May 7th meeting.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Senate Appropriations Committee

ANALYSIS

The second year of the 2017-2018 legislative session continues to remain relatively quiet with no bills proposing significant impacts on LAFCOs. There are several bills of interest, however, to LAFCOs that would further – and largely advantageously – define and/or broaden existing regulatory and planning responsibilities. These bills are detailed in the preceding section and highlighted by AB 2050 and its provisions to create an expedited consolidation process for non-compliant public or private small drinking water systems into a new public agency overseen by LAFCOs with 11 eligible systems already identified in San Diego County. AB 2258 has been subject to considerable negotiations between CALAFCO and CSDA and the resulting amendments still offers grant funding to LAFCO to conduct studies, but now focused solely on disadvantaged unincorporated communities and lessens San Diego LAFCO’s earlier interest. The removal of SB 623 as a trailer to the budget remedied the only substantive concern generated to date in the session.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the item and provide feedback to staff as needed. The Commission may also take action on new or revised positions if interested. This recommendation is further detailed as Alternative One in the succeeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (Recommended):

Receive the report and provide feedback.

Alternative Two:

Approve new or revised legislative positions and direct staff accordingly.

PROCEDURES

This item has been placed on the agenda for discussion and potential action as part of the business calendar. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from interested audience members (voluntarily); and
- 3) Discuss item and consider recommendation

On behalf of staff,



Robert Barry, AICP
Chief Policy Analyst

Attachments:

- 1) CALAFCO Daily Legislative Report, July 24, 2018

CALAFCO Daily Legislative Report as of Tuesday, July 24, 2018

[AB 2050](#) (Caballero D) Small System Water Authority Act of 2018.

Current Text: Amended: 6/11/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 6/11/2018

Status: 6/28/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 27).
Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

This bill would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

Subject: LAFCo Administration, Municipal Services, Water

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

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

CALAFCO continues to work with the author and sponsor on additional amendments including giving the authority to levy fines to the SWRCB (rather than the LAFCo); and ensuring codification of the appropriate protest process.

[AB 2238](#) (Aguiar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.

Current Text: Amended: 6/12/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 6/12/2018

Status: 6/20/2018-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (June 20). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act specifies the factors that a local agency formation commission is required to

consider in the review of a proposal for a change of organization or reorganization, including, among other things, per capita assessed valuation and the proposal's consistency with city or county general and specific plans This bill would require the commission to consider the assessed valuation rather than per capita assessed valuation.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element.

This bill is in response to the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

AB 2258 (Caballero D) Local agency formation commissions: grant program.

Current Text: Amended: 7/2/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 7/2/2018

Status: 7/2/2018-Read second time and amended. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

Attachments:

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

Position: Sponsor

Subject: Other

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on December 31, 2023.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or reorganization pursuant to this section, the threshold would be 25% rather than 10%, in accordance with Government Code Section 57075.

Amendments taken in Senate Governance & Finance and Natural Resources & Water will narrow the scope of the bill to focus on service providers serving disadvantaged communities; will require LAFCo pay back grant funds in their entirety if the study is not completed within two years; and require the SGC to give

preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

Other amendments pending are clarifying the language in section (4) regarding inactive districts and changing the protest thresholds to mirror elections code 11221 so that they are a sliding scale.

AB 2600 (Flora R) Regional park and open space districts.

Current Text: Amended: 6/26/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 6/26/2018

Status: 7/5/2018-Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 3 pursuant to Assembly Rule 77.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law authorizes proceedings for the formation of a regional park, park and open-space, or open-space district to be initiated pursuant to a petition signed by at least 5,000 electors residing within the proposed district territory and presented to the county board of supervisors, as specified. Existing law also authorizes proceedings for district formation in specified counties to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill would, in lieu of the petition described above, authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

CALAFCO Comments: This bill would expand the process of initiating the formation of a regional pack and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact.

The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

AB 3254 (Committee on Local Government) Local government organization: omnibus.

Current Text: Chaptered: 7/9/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Last Amended: 5/17/2018

Status: 7/9/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 86, Statutes of 2018.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

Attachments:

[Request Governor Signature June 2018](#)

[CALAFCO Support](#)

Position: Sponsor

CALAFCO Comments: This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO. Amendments are pending to add several items.

SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Amended: 7/2/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 7/2/2018

Status: 7/2/2018-Read second time and amended. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Porter-Cologne Water Quality Control Act requires each California regional water quality control board to adopt water quality control plans and to establish water quality objectives in those plans, considering certain factors, to ensure the reasonable protection of beneficial uses and the prevention of nuisance. This bill would authorize the regional board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the regional board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended, this bill authorizes the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

The current version includes a number of amendments that address previous CALAFCO concerns. However, there is an outstanding issue of annexing territory to which services were extended into a city. (The bill does now call for a mandatory annexation into a district should the services be extended by them.)

[SB 1496](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 23, Statutes of 2018.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

[SB 1497](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 24, Statutes of 2018.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the First Validating Act of 2018, 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.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

[SB 1499](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 25, Statutes of 2018.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the Third Validating Act of 2018, which would validate the organization, boundaries,

acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

[AB 2268](#) ([Reyes D](#)) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/2/2018)

Desk	Policy	Dead	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

for the 2018–19 fiscal year, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations.

[AB 2491](#) ([Cooley D](#)) Local government finance: vehicle license fee adjustment amounts.

Current Text: Amended: 4/2/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/2/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 4/25/2018)

Desk	Policy	Dead	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

[AB 2501](#) ([Chu D](#)) Drinking water: consolidation and extension of service.

Current Text: Amended: 6/27/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 6/27/2018

Status: 6/27/2018-Read second time and amended. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair
Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "disadvantaged community" for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

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[AB 1577](#) (Gipson D) California Safe Drinking Water Act: Sativa-Los Angeles County Water District.

Current Text: Amended: 6/27/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 6/27/2018

Status: 6/27/2018-Read second time and amended. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair
Summary:

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state board to order a designated public water system to accept managerial and administrative services without first making a finding that consolidation or extension of service is not appropriate or not technically and economically feasible if the state board finds that an emergency circumstance exists to warrant immediate action to protect the public health.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

Subject: Disincorporation/dissolution, Water

[AB 1889](#) (Caballero D) Santa Clara Valley Water District.

Current Text: Amended: 7/3/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Last Amended: 7/3/2018

Status: 7/3/2018-Read second time and amended. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Santa Clara Valley Water District Act authorizes the district to impose special taxes at minimum rates according to land use category and size. The district act authorizes the district to provide an exemption from these taxes for residential parcels owned and occupied by one or more taxpayers who are at least 65 years of age, or who qualify as totally disabled, if the household income is less than an amount approved by the voters of the district. This bill would authorize the district to require a taxpayer seeking an exemption from these special taxes to verify his or her age, disability status, or household income, as prescribed.

Position: Watch

[AB 2019](#) (Aguilar-Curry D) Health care districts.

Current Text: Amended: 6/25/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 6/25/2018

Status: 6/25/2018-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district. Current law requires the board of directors to establish and maintain an Internet Web site that may include specified information, such as a list of current board members and recipients of grant funding or assistance provided by the district, if any, and to adopt annual policies for providing assistance or grant funding, as specified. This bill would require the board of directors to include specified information, such as the district's policy for providing assistance or grant funding, on the district's Internet Web site.

Position: Watch

CALAFCO Comments: This bill places a number of statutory requirements on healthcare districts (HCDs). One provision that directly affects LAFCo is the HCDs will be required to notify their respective LAFCo when they file for bankruptcy.

[AB 2179](#) ([Gipson D](#)) **Municipal corporations: public utility service: water and sewer service.**

Current Text: Introduced: 2/12/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 7/2/2018-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position: Watch

Subject: Municipal Services

[AB 2262](#) ([Wood D](#)) **Coast Life Support District Act: urgent medical care services.**

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 7/2/2018-Read second time. Ordered to Consent Calendar. From Consent Calendar. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, the Coast Life Support District Act, establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services.

Attachments:

[CALAFCO Oppose Unless Amended](#)

[CALAFCO Support as amended](#)

Position: Support

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to add the power of providing urgent care (actually to codify powers they have been performing for a number of years). As amended, the bill cleans up the outdated reference to the Act and adds a provision requiring the district to seek LAFCo approval to activate the new power. As a result of these amendments, CALAFCO has removed our opposition and now supports the bill.

[AB 2339](#) ([Gipson D](#)) **Water utility service: sale of water utility property by a city.**

Current Text: Amended: 7/5/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 7/5/2018

Status: 7/5/2018-Read second time and amended. Ordered to third reading. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

This bill would authorize the City of El Monte, the City of Montebello, and the City of Willows, until January 1, 2022, to sell its public utility for furnishing water service for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale. This bill contains other related provisions.

Position: Watch

Subject: Water

[SB 522](#) ([Glazer D](#)) West Contra Costa Healthcare District.

Current Text: Chaptered: 7/18/2018 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amended: 1/3/2018

Status: 7/18/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 133, Statutes of 2018.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law provides for the formation of local health care districts and specifies district powers. Under existing law, the elective officers of a local health care district consist of a board of hospital directors consisting of 5 members, each of whom is required to be a registered voter residing in the district and whose term shall be 4 years, except as specified. This bill would dissolve the existing elected board of directors of the West Contra Costa Healthcare District, effective January 1, 2019, and would require the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board, as specified.

Position: Watch

Subject: Special Districts Governance

[SB 561](#) ([Gaines R](#)) Fallen Leaf Lake Community Services District: State audit.

Current Text: Amended: 6/26/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 6/26/2018

Status: 6/28/2018-Re-referred to Com. on APPR. pursuant to Assembly Rule 96.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law requires the county auditor to either perform an audit, or contract with a certified public accountant or public accountant to perform an audit, of the accounts and records of every special district within the county, as specified. Current law authorizes a special district, by unanimous request of its governing board and unanimous approval by the board of supervisors, to replace the annual audit with an audit over a longer period of time or with a financial review, as specified. This bill would require, by August 1, 2019, the California State Auditor to complete an audit of the Fallen Leaf Lake Community Services District that includes, among other things, an analysis of the district's financial condition and ongoing financial viability.

Position: Watch

Subject: Special Districts Governance

[SB 623](#) ([Monning D](#)) Water quality: Safe and Affordable Drinking Water Fund.

Current Text: Amended: 8/21/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 8/21/2017

Status: 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

Position: Watch

Subject: Water

[SB 778](#) ([Hertzberg D](#)) **Water systems: consolidations: administrative and managerial services.**

Current Text: Amended: 7/13/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 7/13/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

Position: Watch

Subject: Municipal Services

[SB 929](#) ([McGuire D](#)) **Special districts: Internet Web sites.**

Current Text: Amended: 3/6/2018 [html](#) [pdf](#)

Introduced: 1/25/2018

Last Amended: 3/6/2018

Status: 7/2/2018-From consent calendar on motion of Assembly Member Calderon.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Attachments:

[CALAFCO Support letter May 2018](#)

Position: Support

[SB 1498](#) ([Committee on Governance and Finance](#)) **Local Government Omnibus Act of 2018.**

Current Text: Amended: 6/19/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Last Amended: 6/19/2018

Status: 6/28/2018-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (June 27). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Position: Watch

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

Total Measures: 24

Total Tracking Forms: 24

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