

## Chairman

Bill Horn  
County Board of  
Supervisors

May 2, 2016

# 13

## Vice Chairman

Sam Abed  
Mayor  
City of Escondido

TO: San Diego Local Agency Formation Commission

## Members

Dianne Jacob  
County Board of  
Supervisors

FROM: Executive Officer  
Director, Legislative Research

Andrew Vanderlaan  
Public Member

SUBJECT: Legislative Report

Lorie Zapf  
Councilmember  
City of San Diego

This is the monthly status report on LAFCO related legislation for 2016. Several documents are attached to the legislative report. Attachment A is a legislative summary of selected bills that staff has identified for tracking. This summary is current through April 14<sup>th</sup>. Another document is a copy of AB 2470 (Gonzalez) and a vicinity map (Attachments B and C). AB 2470 is a bill recently amended and sponsored by The Sycuan Band of the Kumeyaay Nation that proposes to add requirements to the Water Code for provision of water service to areas outside of a water district. Another document is a copy of SB 1318 (Wolk) pertaining to special districts and Disadvantaged Unincorporated Communities (DUC's). Refer to Attachment D for SB 1318. A third bill we are tracking is AB 2910 (Assembly Local Government Committee Omnibus Bill) that proposes changes to the Cortese-Knox-Hertzberg Act that are deemed non-substantive to clarify sections of the Act (Attachment E). Legislative activity has increased this month on new or amended bills as pending bills must move out of their home committee by the end of April. A discussion is provided below on each bill, including possible positions for the Commission to take.

Lorraine Wood  
Councilmember  
City of Carlsbad

Jo MacKenzie  
Vista Irrigation District

Ed Sprague  
Olivenhain Municipal  
Water District

## Alternate Members

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County Board of  
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City of San Diego

Racquel Vasquez  
Councilmember  
City of Lemon Grove

Harry Mathis  
Public Member

## AB 2470 (Gonzalez) – Municipal Water Districts: Provision of Water Service to Indian Tribal Lands

Vacant  
Special District

## Executive Officer

Michael D. Ott

AB 2470 is sponsored by the Sycuan Band of the Kumeyaay Nation (Sycuan). This bill has undergone a number of substantial amendments. Refer to Attachment B. On March 29, 2016, AB 2470 was amended to require a municipal water district, under certain conditions, to supply water to a contiguous Indian tribe's lands that may be outside the district's

## Legal Counsel

Michael G. Colantuono

boundary, upon request of the tribe. Early versions of the bill exempted the provision of water service from the California Environmental Quality Act (CEQA), and other California Laws, including LAFCO. The bill has been amended two additional times since the end of March; the latest amendments being on April 12, 2016 (Attachment B). As currently amended, the bill would require that upon a request being made, that water service be provided “as if the lands had been fully annexed” and that the (subject) district and tribe would enter into a service agreement to provide for payment of all costs of service charges and capacity. The bill language also provides language that “Notwithstanding any other law” which generally is interpreted to mean that all other sections of California law would not apply, including Government Code Section 56000 et seq. (Cortese-Knox-Hertzberg Act - CKH).

***Background of San Diego LAFCO with Sycuan territory areas:*** The original Sycuan tribe reservation was not included in the established service territories of two nearby and adjacent water districts in eastern San Diego County: Otay Municipal Water District (WD) or Padre Dam Municipal Water District (MWD), since the 1950s. Sycuan has acquired various properties in the area of Southeast County over the past 15 years that are within portions of both water districts. A 640-acre portion of Sycuan is not within any local water district. Refer to Attachment C. During the first round of Municipal Service Reviews in 2003-06, issues addressing possible future service needs to Indian tribe lands were identified and designated by LAFCO as “Special Study Areas”. In 2007, Sycuan and Otay representatives met with LAFCO staff to discuss issues and the process for obtaining approval for annexation and/or temporary or permanent water service to the approximately 640 acre reservation property. Discussion primarily focused on the expressed concern for reliable water supply and groundwater quality issues. LAFCO staff provided guidance on the requirements for processing a proposal for sphere and annexation and various other approvals, including the San Diego County Water Authority (CWA) and Metropolitan Water District (MWD). It was also stated that environmental review would need to be conducted per CEQA. In 2008, Otay WD prepared and distributed a proposed Negative Declaration document. Substantive comments were provided by the San Diego CWA, and Metropolitan Water District, County of San Diego, and LAFCO. After receiving comments, the Otay WD instead decided to prepare an Environmental Impact Report. In 2009, the Otay WD prepared and distributed for review a Draft EIR. The most substantive comments were provided by the Metropolitan Water District and County. To our knowledge, the EIR was never adopted. Since that time, there has been sporadic contact between Sycuan and LAFCO staff.

On March 29, 2016, it came to the attention of LAFCO staff that AB 2470 had been legislatively “gutted and amended”. The amended version of AB 2470 would amend the Water Code to authorize an Indian tribe under specific circumstances to require an

adjacent water district to provide water services without LAFCO or water district discretionary authority. The district(s) would then be required to provide water service at rates and charges generally similar to other district customers. AB 2470 was subsequently amended another two times after comments were received by the author and sponsor. AB 2470 is currently pending consideration by the Assembly Local Government Committee (ALGC) on April 20<sup>th</sup>.

**Actions to date by MWD, CWA or Padre Dam:** The Metropolitan Water District Board of Directors considered action on the proposed bill on April 12, 2016. Metropolitan staff had originally recommended a position of “opposition unless amended” to address concerns for annexation and payment of all fees and charges. The Metropolitan board considered this matter and subsequently approved an alternative position of “support if amended” position contingent on an agreement being reached to address the service and fee payment requirements. The San Diego CWA Board has not considered a position as of the date of this report but the CWA representatives on the Metropolitan Board voted in favor of the “support if amended” position.

Rather than receiving water service from the Otay WD, Sycuan is now proposing that service be provided by the Padre Dam MWD. Padre Dam currently supplies water to several Sycuan parcels that are within the district. Average water use on those sites is sixty (60) acre feet per year. Estimated future demand on the future area is between 200 – 400 acre feet per year. Contact with Padre Dam staff reflects general support of the approach if all concerns can be addressed but the issue has not been considered by the Padre Dam Board as of this time. Supervisor Horn and Mayor Faulconer have both written letters of support to the State Legislature on AB 2470.

**CALAFCO Review:** The California Association of LAFCOs (CALAFCO) is concerned with the statewide impact of the legislation setting a precedent for enacting individual legislation bypassing the ordinary review and approval process. It is anticipated that CALAFCO will take a position on the bill ahead of the ALGC hearing on April 20, 2016. LAFCO staff will update the commission on what if any position CALAFCO adopts.

**Staff Analysis:** As outlined above, staff has had some contact with Sycuan, Otay WD and Padre Dam MWD on the issues discussed by the sponsor of AB 2470, Sycuan. However, the contact has been sporadic and Sycuan representatives canceled several scheduled meetings with LAFCO staff in 2015-16. LAFCO review and consideration of extension of water service is currently required by various State Laws governing annexation and contractual service agreements. With respect to contractual services, Government Code Section 56133 states that a Commission may authorize a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change

of organization. The 640-acre portion of the Sycuan Indian Tribe is not within the adopted sphere of influence of any of the local water providers. In addition, LAFCO may authorize a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to public health or safety of the residents of the affected territory, based on certain requirements. While it possible that a public health and safety issue may exist within the Sycuan tribal property (groundwater contamination), contractual service may not be an effective method of extending service because of certain prohibitions on extra-territorial service by the wholesale water agencies (Metropolitan and CWA). To date no such consideration has been requested of LAFCO. Based on the contractual service provisions and limitations, the annexation process is the most preferable method of extending service to Sycuan, under current law.

LAFCO staff inquired of Sycuan and Padre Dam of the purpose of the proposed legislation and it was stated that Sycuan does not want to undergo LAFCO review and approval due to the sovereign status of the Sycuan Nation and the probable costs of CEQA and jurisdictional boundary processing. While the concerns may have some bearing, LAFCO staff has suggested for many years that if proper documentation has been prepared and followed via the ordinary process that the overall process would have been completed legally by now without the need to circumvent a long-standing law. Consideration by staff and the Commission of Padre Dam, San Diego CWA and Metropolitan Water District of Southern California, plus conditions of approval would also be formulated and included in the review process.

**Commission Options:** The commission should consider one of options for a position on AB 2470 and provide direction accordingly:

**Option 1 – Adopt a Watch position** that would instruct LAFCO staff to monitor the bill to see if all issues of concern to Padre Dam, CWA and Metropolitan are addressed in future amendments. This would send a message to legislators that the San Diego LAFCO does not currently oppose the legislative proposal.

**Option 2 – Adopt a Watch with Concerns position** that would instruct LAFCO staff to monitor the bill and express concerns to the legislative author and sponsor, and affected agencies. This position would enable staff to work with the parties and attempt to work out issues and a possible resolution to the extension of water service.

**Option 3 – Adopt an Oppose unless amended position** and request that LAFCO review and approval be added into the bill language. This approach would encourage

the legislature to consider the purpose of the CKH Act and consideration of any potential future service needs in similar circumstances.

**SB 1318 (Wolk) – Local government: drinking water infrastructure or services; wastewater infrastructure or services**

This bill would extend the prohibition of annexation of areas greater than 10 acres where there exists areas designated as disadvantaged unincorporated communities (DUC) to a “qualified special district”, defined as serving 500 or more service connections by amending Government Code Section 56375. Additionally, Sections 56425 and 56430 are proposed to be amended to add restrictions on amendments of sphere of influences for cities and special districts to require consideration of DUC areas adjacent to the sphere and restrict removal of a DUC from a sphere unless the commission makes a finding that the action will result in improved service delivery to the community. Additionally, on or after January 1, 2022, and every five years thereafter, the commission shall conduct reviews sufficient to have reviewed the entire area of the county. Among other proposed new requirements for a commission, a map of the county identifying DUC’s that lack safe drinking water or adequate wastewater shall be filed with the State Office of Planning and Research; and within two years of identification of a DUC that lacks safe water or adequate wastewater, the commission shall recommend a plan and adopt any actions necessary to implement the plan. If not completed by January 1, 2022, a commission shall not change the sphere of a qualified city or special district except in limited circumstances as defined. The bill as amended adds significant new requirements to the sphere and annexation process for cities and special districts and will require additional funding and studies, if enacted. Since San Diego County has limited DUC’s in unincorporated areas not served by a qualified city or special district, this proposed requirement would add another layer of study for a very limited service benefit.

**Proposed San Diego LAFCO staff position – Oppose and Send Letter**

**AB 2910 (Committee on Local Government) – Local Government: organization; Omnibus Bill**

This is the annual ALGC Omnibus Bill sponsored by CALAFCO that proposes non-controversial updates and changes to the Cortese-Knox-Hertzberg Act. The bill proposed this year includes minor technical changes, corrects incorrect code references and typographical errors, in sections 56301, 56331, 56700.4, 56816, 56881, 57310 and 56314.

**Proposed San Diego LAFCO position – Support and Send Letter**

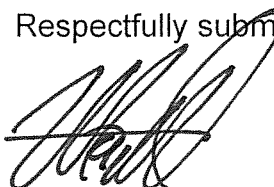
There are a number of other bills that staff continues to monitor for possible amendments and action by legislature committees. A summary is provided in Attachment A which is the CALAFCO Tracking Report.

San Diego LAFCO staff will provide the Commission with a verbal update at the meeting on any actions on these bills. Therefore, it is:

**RECOMMENDED:** That your Commission,

Receive this Legislative Update Report and provide direction to staff on the identified legislative bills as appropriate.

Respectfully submitted,



MICHAEL D. OTT  
Executive Officer



HARRY EHRLICH  
Director, Legislative Research

MDO:HE:ra

- Attachments:**
- Attachment A) CALAFCO Tracking Report
  - Attachment B) AB 2470 (Gonzalez)
  - Attachment C) Sycuan Map
  - Attachment D) SB 1318 Wolk)
  - Attachment E) AB 2910 (ALGC)

**CALAFCO Daily Legislative Report  
as of Friday, April 15, 2016**

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**AB 115 (Committee on Budget) Water.****Current Text:** Amended: 6/18/2015 [pdf](#) [html](#)**Introduced:** 1/9/2015**Last Amended:** 6/18/2015**Status:** 9/11/2015-Ordered to inactive file at the request of Senator Mitchell.

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

**Summary:**

Would authorize the State Water Resources Control Board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation.

**Position:** Oppose**Subject:** Disadvantaged Communities, LAFCo Administration, Special District Consolidations, Water**CALAFCO Comments:** UPDATED COMMENTS: CALAFCO continues to monitor this bill to ensure it does re-present itself in another form impacting LAFCo.

OLDER COMMENTS: This bill is the same as SB 88, which was passed in 2015. As amended, AB 115 gives the State Water Resources Control Board (SWRCB) direct authority to mandate either an extension of service or consolidation of water systems, including public and private systems, and individual wells. The bill focuses on disadvantage communities. Prior to ordering the consolidation, the SWRCB must make certain determinations and take certain actions, including conducting a public hearing in the affected territory. They are also required to "consult with and fully consider input from the relevant LAFCo, the PUC, and either the city or county (whichever has land use authority). Entities are allowed 6 months to find workable solutions before the SWRCB mandates the action. Prior to making the order, the SWRCB must make certain determinations. Upon making the order, the SWRCB must make funding available to the receiving water system for capacity building (no operations and maintenance funding is provided, adequately compensate the subsumed system, pay fees to the LAFCo for whatever work they will do (which is as of now undefined) to facilitate the action. The bill also contains certain CEQA exemptions and liability relief for the subsuming water entity, as well as various penalties. Finally, the bill makes legislative findings and declarations as to the reason for the SWRCB to have these powers, which has been taken directly from the legislative findings and declarations of CKH and the reason LAFCOs have the powers they do.

CALAFCO has attempted to work with the administration for some time in defining the best possible process for these actions. However, for the most part, amendments proposed have been dismissed. CALAFCO has a number of concerns regarding the proposed process, not the least of which is the language in section 116682 (g) (the way it is worded now, it exempts the entire consolidation process and there is a legal argument that this would divest LAFCO of any authority to complete the consolidation

since that authority is solely contained in CKH). Further, we requested indemnification for LAFCo as they implement section 11682(e)(4) which was also dismissed.

**AB 448 (Brown 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:** 8/27/2015-In committee: Held under submission.

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

**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.

**Attachments:**

[CALAFCO Support Letter March 2015](#)

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

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

**Introduced:** 2/16/2016

**Last Amended:** 4/11/2016

**Status:** 4/12/2016-Re-referred to Com. on L. GOV.

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

**Calendar:**

4/20/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

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

**Attachments:**

[CALAFCO Removal of Opposition Letter April 2016](#)

[CALAFCO Oppose Letter March 2016](#)

**Position:** Watch

**Subject:** CKH General Procedures, Disincorporation/dissolution



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

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

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

**Introduced:** 2/18/2016

**Status:** 4/7/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 6). Re-referred to Com. on APPR.

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

**Calendar:**

4/20/2016 9 a.m. - State Capitol, Room 4202  
ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter March 2016](#)

**Position:** Support

**Subject:** Financial Viability of Agencies, Tax Allocation

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

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

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

**Introduced:** 2/19/2016

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

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

**Calendar:**

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

**Summary:**

Would require a local agency formation commission to order the dissolution of a health care district without an election if the health care district meets certain criteria, as

specified. The bill would subject a dissolution under these provisions to the provisions of the act for winding up the affairs of a dissolved district.

**Attachments:**

[CALAFCO Oppose Unless Amended Letter April 2016](#)

**Position:** Oppose unless amended

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

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

CALAFCO was not contacted by the author prior to the bill's introduction. According to the author's office, the bill is sponsored by Alameda County and focuses on a local issue with the Eden Health Care District. However, the bill is not written exclusively to address that issue, but rather all health care districts that meet the noted criteria.

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

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

**Current Text:** Introduced: 3/15/2016 [pdf](#) [html](#)

**Introduced:** 3/15/2016

**Status:** 3/28/2016-Referred to Com. on L. GOV.

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

**Calendar:**

4/27/2016 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter April 2016](#)

**Position:** Sponsor

**Subject:** CKH General Procedures

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

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

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

**Introduced:** 2/26/2015

**Last Amended:** 7/7/2015

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

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

**Summary:**

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

**Position:** Watch

**Subject:** Disadvantaged Communities, Water

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

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

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

**Introduced:** 1/5/2016

**Last Amended:** 2/22/2016

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

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

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter February 29, 2016](#)

**Position:** Support

**Subject:** Financial Viability of Agencies

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

**SB 1262 (Pavley D) Water supply planning.**

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

**Introduced:** 2/18/2016

**Status:** 4/5/2016-Set for hearing April 20.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conf. Conc.			
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**Calendar:**

4/20/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

Would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site. This bill would require, if a water source for a proposed project includes water of a quality not sufficient to meet certain drinking water standards, that prescribed additional information be included in a water supply assessment. This bill, if no water system is identified, would require a city or county to prepare a technical report containing prescribed information.

**Attachments:**

CALAFCO Letter of Concern March 2016

**Position:** Watch

**Subject:** Water

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

In Water Code section 10910, the bill makes the following changes: If no water system that is within or adjacent to the service area of the project site is identified as a viable source of water for the project, the city or county shall prepare a technical report that includes five factors. Based on this report, if the city or county determines that it is feasible for a water system to provide water to the project, the city or county shall submit the technical report to the local LAFCo with jurisdiction over the project. If the LAFCo denies the annexation or extension of service then the city or county shall develop a water supply assessment as outlined in 10910.

What is unclear to CALAFCO at this time is what is to be done with the assessment once completed, and why it is not completed prior to the LAFCo considering the application as part of the CEQA process.

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

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

**Introduced:** 2/18/2016

**Last Amended:** 4/12/2016

**Status:** 4/12/2016-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:**

4/25/2016 10 a.m. - John L. Burton Hearing Room (4203)  
SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

Current law requires an agency or entity that files a notice of agreement or amendment with the Secretary of State to also file a copy of the original joint powers agreement, and any amendments to the agreement, with the Controller. This bill would require an agency or entity required to file documents with the Controller, as described above, that meets the definition of a joint powers authority or joint powers agency, as specified, that was formed for the purpose of providing municipal services, and that includes a

local agency member, as specified, to also file a copy of the agreement or amendment to the agreement with the local agency formation commission in each county within which all or any part of a local agency member's territory is located within 30 days after the effective date of the agreement or amendment to the agreement.

**Attachments:**

[CALAFCO Support Letter February 2016](#)

[CALAFCO Support as amended letter March 2016](#)

**Position:** Sponsor

**Subject:** Joint Power Authorities, LAFCo Administration

**CALAFCO Comments:** This is a CALAFCO sponsored bill. As amended, the bill requires all stand-alone JPAs, as defined in GC Section 56047.7, which includes a member that is a public agency as defined in GC Section 56054, and are formed for the purposes of delivering municipal services, to file a copy of their agreement (and a copy of any amendments to that agreement) with the LAFCo in each county within which all or any part a local agency member's territory is located. Additional amendments pending include a requirement for the JPA to file with the LAFCo within 30 days of the formation of the JPA or change in the agreement, and adds punitive action should they not file. Both of these changes are consistent with existing JPA statute.

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

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

**Introduced:** 2/19/2016

**Last Amended:** 4/12/2016

**Status:** 4/14/2016-Set for hearing April 20.

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

**Calendar:**

4/20/2016 8:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

**Summary:**

Current law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer. This bill would extend that prohibition to an annexation to a qualified special district.

**Attachments:**

[CALAFCO Oppose Letter March 2016](#)

**Position:** Oppose

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

**CALAFCO Comments:** As introduced, this bill amends GC Sections 56133, 56425 and 56430. To begin, the bill would prohibit a LAFCo commission from authorizing a city or a district to extend drinking water or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. Further, it prohibits the commission from approving a sphere of influence (SOI) update where there exists a disadvantaged unincorporated community (DUC) within or adjacent to the city or special district's SOI that lacks safe drinking water or wastewater infrastructure or services unless specified conditions are met. This bill would prohibit commissions from authorizing a city or a district to extend drinking water or wastewater

infrastructure or services until it has extended services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities.

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

The bill changes, when determining a SOI, the assessment of the feasibility of a reorg of agencies and recommendations of reorg of those agencies when it is found to be feasible, to a mandate (changes 56425 (h) from "may" to "shall"). Further, it adds (k), prohibiting a commission from approving a SOI update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed SOI.

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

The bill: (1) Adds a number of unfunded mandates to LAFCOs; (2) Requires LAFCo for the first time to study territory outside a sphere; (3) Requires LAFCo to include non-public agencies in studies; (4) Changes the final authority to approve spheres in certain situations from LAFCo to the voters and/or residents; (5) Ties the hands of LAFCo in extending services or annexing where reasonable; (6) Removes LAFCo discretion; and (7) Adds two requirements for LAFCo when making sphere determinations.

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**2**

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

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

**Introduced:** 2/27/2015

**Last Amended:** 1/19/2016

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

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

**Summary:**

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

**Position:** Watch

**CALAFCO Comments:** As amended, this bill amends the Health and Safety Code by creating an alternative option to the appointment process to the board of trustees of a

district. The additional process calls for the City Selection Committee to make appointments rather than the cities themselves in a case where a majority of the city councils located within the district and are authorized to appoint a person to the board of trustees adopt resolutions approving of this alternate appointment process. No change is being made to how the County Board of Supervisors makes their appoint to the district board.

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

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

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

**Introduced:** 2/19/2016

**Status:** 4/14/2016-From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 7. Noes 1.) (April 13).

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

**Calendar:**

4/18/2016 #16 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

**Summary:**

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

**Attachments:**

[CALAFCO Oppose Letter April 2016](#)

**Position:** Oppose

**Subject:** Disincorporation/dissolution, LAFCo Administration

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

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

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3

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

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

**Introduced:** 1/13/2016

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

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Enrolled	Vetoed	Chaptered



1st House	2nd House	Conf. Conc.		
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**Calendar:**

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

**Summary:**

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

**Position:** Watch

**Subject:** Special District Principle Acts

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

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

**Introduced:** 1/25/2016

**Last Amended:** 3/28/2016

**Status:** 4/12/2016-In committee: Set, second hearing. Hearing canceled at the request of author.

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

**Summary:**

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

**Attachments:**

[CALAFCO Oppose Letter March 2016](#)

**Position:** Oppose

**Subject:** Public Records Act

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

**AB 2142 (Steinorth R) Local government finance.**

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

**Introduced:** 2/17/2016

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

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

**Summary:**

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



**Position:** Watch

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

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

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

**Introduced:** 2/18/2016

**Last Amended:** 4/11/2016

**Status:** 4/12/2016-Re-referred to Com. on L. GOV.

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

**Calendar:**

4/20/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

The Ralph M. Brown Act requires the legislative body of a local agency to post, at least 72 hours before the meeting, an agenda containing a brief general description of each item of business to be transacted or discussed at a regular meeting, in a location that is freely accessible to members of the public and to provide a notice containing similar information with respect to a special meeting at least 24 hours prior to the special meeting. This bill would require an online posting of an agenda by a local agency to have a prominent direct link to the current agenda itself.

**Position:** Watch

**Subject:** LAFCo Administration

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

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

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

**Introduced:** 2/18/2016

**Last Amended:** 4/5/2016

**Status:** 4/6/2016-Re-referred to Com. on L. GOV.

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

**Summary:**

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

**Position:** Watch

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

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

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

**Introduced:** 2/19/2016

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

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

**Summary:**

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

**Position:** Placeholder - monitor

**Subject:** Disincorporation/dissolution

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

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

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

**Introduced:** 2/19/2016

**Last Amended:** 4/12/2016

**Status:** 4/13/2016-Re-referred to Com. on L. GOV.

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

**Calendar:**

4/20/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

Current law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Current law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers. This bill, upon the request of an Indian tribe, tribe and the satisfaction of certain conditions, would require a district to provide service of water at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet certain requirements.

**Position:** Watch

**Subject:** Water

**AB 2737 (Bonta D) Nonprovider health care districts.**

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

**Introduced:** 2/19/2016

**Last Amended:** 4/11/2016

**Status:** 4/12/2016-Re-referred to Com. on L. GOV.

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

**Calendar:**

4/20/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

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

**Position:** Watch

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

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

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

**Introduced:** 2/19/2016

**Last Amended:** 4/4/2016

**Status:** 4/11/2016-From committee: Be re-referred to Com. on L. GOV. Re-referred. (Ayes 9. Noes 0.) (April 11). Re-referred to Com. on L. GOV.

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

**Calendar:**

4/20/2016 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, EGGMAN, Chair

**Summary:**

Existing statutory law provides notice, protest, and hearing procedures for the levying of new or increased fees or charges by local government agencies pursuant to Article XIII D of the California Constitution. Under existing statutory law, one written protest per parcel, filed by an owner or tenant of the parcel, is counted in calculating a majority protest to a proposed new or increased fee or charge. This bill would additionally require the local agency to keep the written protests securely stored and sealed until the public hearing.

**Position:** Oppose

**Subject:** LAFCo Administration

**CALAFCO Comments:** The original bill would have removed the 60 day statute of limitations on bringing a validation action to court for any public agency, including LAFCo. Gut and amended on April 4, 2016, the bill now focuses on amending GCS 53755 and relates to fee increases to property owners by an agency providing property related services. Based on these amendments, CALAFCO will reconsider the current position on April 22.

**AB 2853 (Gatto D) Public records.**

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

**Introduced:** 2/19/2016

**Last Amended:** 4/13/2016

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

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

**Summary:**

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

**Position:** Watch

**Subject:** Public Records Act

**CALAFCO Comments:** As amended on March 18, 2016, the bill simply allows a public agency that has received a public records request act request to refer the the person making the request to the agency's website for the documents, should they be posted on the site.

**SB 971 (Committee on Governance and Finance) Validations.**

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

**Introduced:** 2/8/2016

**Status:** 4/7/2016-In Assembly. Read first time. Held at Desk.

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

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter February 29, 2016](#)

**Position:** Support

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

**SB 972 (Committee on Governance and Finance) Validations.**

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

**Introduced:** 2/8/2016

**Status:** 4/7/2016-In Assembly. Read first time. Held at Desk.

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

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter February 29, 2016](#)

**Position:** Support

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

**SB 973 (Committee on Governance and Finance) Validations.**

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

**Introduced:** 2/8/2016

**Status:** 4/7/2016-In Assembly. Read first time. Held at Desk.

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

**Summary:**

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

**Attachments:**

[CALAFCO Support Letter February 29, 2016](#)

**Position:** Support

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

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

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

**Introduced:** 2/8/2016

**Last Amended:** 3/29/2016

**Status:** 4/8/2016-Set for hearing April 18.

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

**Summary:**

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

**Position:** Watch

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

**SB 1009 (Nielsen R) Public cemeteries: nonresidents.**

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

**Introduced:** 2/11/2016

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

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

**Summary:**

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

**Position:** Watch

**Subject:** Special District Powers

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

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

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

**Introduced:** 2/18/2016

**Status:** 4/6/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 2. Page 3419.) (April 6). Re-referred to Com. on APPR.

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

**Summary:**

Would, commencing January 1, 2017, prohibit an application for a permit for a new

public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the State Water Resources Control Board, as specified, and would allow the state board to impose technical, financial, or managerial requirements on the permit.

**Position:** Watch

**Subject:** Water

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

**SB 1276 (Moorlach R) Local agencies.**

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

**Introduced:** 2/19/2016

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

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, establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make nonsubstantive changes to the above-described law.

**Position:** Placeholder - monitor

**Subject:** CKH General Procedures

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

**SB 1292 (Stone R) Grand juries: reports.**

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

**Introduced:** 2/19/2016

**Last Amended:** 3/28/2016

**Status:** 4/13/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 12). Re-referred to Com. on APPR.

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

**Calendar:**

4/25/2016 10 a.m. - John L. Burton Hearing Room (4203)  
SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

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

**Position:** Watch

**Subject:** Other

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

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

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

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

**Introduced:** 2/19/2016

**Last Amended:** 3/31/2016

**Status:** 4/8/2016-Set for hearing April 27.

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

**Calendar:**

4/27/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

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

**Position:** Watch

**Subject:** Municipal Services

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

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

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

**Introduced:** 2/19/2016

**Last Amended:** 4/6/2016

**Status:** 4/13/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 13). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conf. Conc.			
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**Calendar:**

4/25/2016 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

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

**Position:** Watch

**Subject:** LAFCo Administration, Other

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

Total Measures: 33

Total Tracking Forms: 33

4/15/2016 10:10:48 AM



AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY APRIL 4, 2016

AMENDED IN ASSEMBLY MARCH 29, 2016

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL****No. 2470**

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**Introduced by Assembly Member Gonzalez**  
(Principal coauthor: Senator Anderson)  
**(Coauthors: Assembly Members Atkins, Jones, Maienschein,**  
**and Waldron Waldron, and Weber)**  
(Coauthors: Senators Block and Hueso)

February 19, 2016

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An act to add Section 71611.5 to the Water Code, relating to water.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2470, as amended, Gonzalez. Municipal water districts: water service: Indian tribes.

Existing law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers. Existing law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Existing law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Existing law authorizes a district to sell or otherwise dispose of water above that required by consumers within

the district to any persons, public corporations or agencies, or other consumers.

This bill, upon the request of an Indian ~~tribe~~, *tribe and the satisfaction of certain conditions*, would require a district to provide service of water at *substantially* the same terms ~~available~~ *applicable* to the ~~current~~ customers of the district to an Indian tribe’s lands that are not within a district, as prescribed, if the Indian tribe’s lands meet certain requirements. *The bill would deem the service areas of a district and of any public agency providing water to the district for all purposes to include an Indian tribe’s land for a prescribed period of time if the district provides service of water to the Indian tribe’s lands under these provisions. This bill would require an Indian tribe provided water service under these provisions to make all required payments as if it were annexed into a district’s service area and would make the payments a condition of continued service of water by the district.* By imposing new duties on a municipal water district, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 71611.5 is added to the Water Code, to
- 2 read:
- 3 71611.5. (a) Notwithstanding any other law, upon the request
- 4 of an Indian ~~tribe~~, *tribe and the satisfaction of the conditions stated*
- 5 *in subdivision (b)*, a district shall provide service of water at
- 6 *substantially* the same terms ~~available~~ *applicable* to the ~~current~~
- 7 customers of the district to an Indian tribe’s lands that are not
- 8 within a district as if the lands had been fully annexed within the
- 9 district and any other special districts required for the provision
- 10 of water service if the Indian tribe’s lands meet all of the following
- 11 requirements:
- 12 (a)
- 13 (1) The lands were owned by the tribe on January 1, 2016.

1     ~~(b)~~  
2     (2) The lands are contiguous with at least two districts.  
3     ~~(e)~~  
4     (3) The lands lie within the special study area of at least one  
5 district.  
6     ~~(f)~~  
7     (4) At least ~~75~~ 70 percent of the Indian tribe’s total Indian lands  
8 are currently within the boundaries of one or more districts.  
9     ***(b) Before a district provides service of water pursuant to this***  
10 ***section, the Indian tribe shall satisfy both of the following***  
11 ***conditions:***  
12     ***(1) The Indian tribe complies with all federal and tribal laws.***  
13     ***(2) The Indian tribe acquires all federal and tribal approvals***  
14 ***necessary for the applicable district to provide water service to***  
15 ***the tribal lands on substantially the same terms applicable to***  
16 ***customers of the district.***  
17     ***(c) If a district provides service of water to an Indian tribe’s***  
18 ***lands pursuant to this section, the service areas of the district and***  
19 ***of any public agency providing water to the district are deemed***  
20 ***for all purposes to include the Indian tribe’s lands for the longest***  
21 ***of the following periods of time:***  
22     ***(1) The time service of water is provided by the district to the***  
23 ***Indian tribe.***  
24     ***(2) The time moneys are owed by the Indian tribe to the district***  
25 ***for the service of water.***  
26     ***(3) The term of any agreement between the district and the***  
27 ***Indian tribe.***  
28     ***(d) An Indian tribe provided water service pursuant to this***  
29 ***section shall make all required payments, including service***  
30 ***payments, as if it were annexed into a district’s service area. The***  
31 ***payments are a condition of continued service of water by the***  
32 ***district pursuant to this section.***  
33     SEC. 2. No reimbursement is required by this act pursuant to  
34 Section 6 of Article XIII B of the California Constitution because  
35 a local agency or school district has the authority to levy service  
36 charges, fees, or assessments sufficient to pay for the program or  
37 level of service mandated by this act, within the meaning of Section  
38 17556 of the Government Code.

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AMENDMENTS TO ASSEMBLY BILL NO. 2470

Amendment 1

In the title, in line 1, strike out "amend Section 13201 of" and insert:

add Section 71611.5 to

Amendment 2

In the title, in line 1, strike out "water", strike out line 2 and insert:

water.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 71611.5 is added to the Water Code, to read:

71611.5. (a) Notwithstanding any other law, upon the request of an Indian tribe, a district shall provide permanent or temporary service of water at the same terms available to the current customers of the district to the Indian tribe's lands if the lands share three or more points of adjacency to the exterior boundaries of the district.

(b) Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the provision of water pursuant to this section.

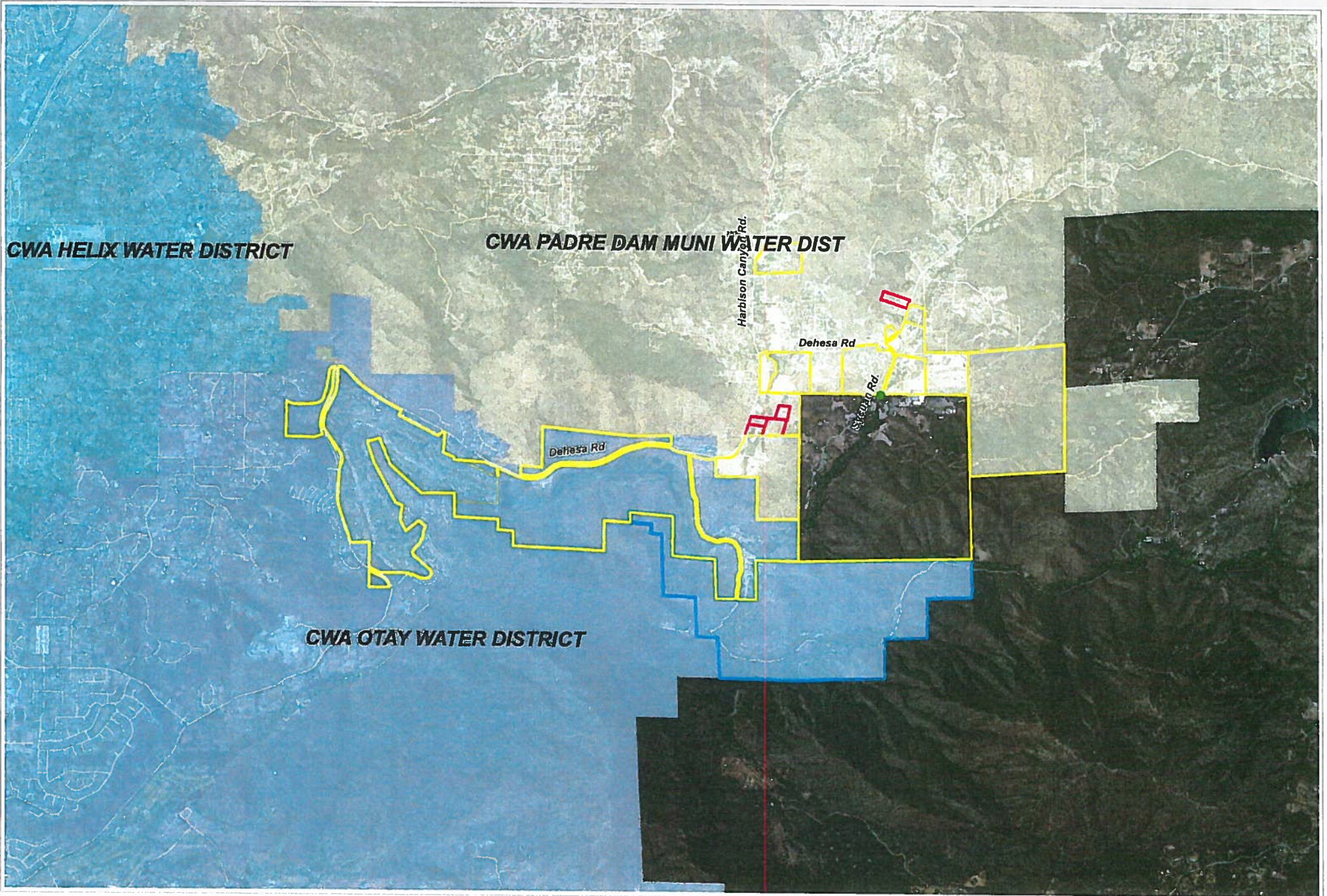
SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Amendment 4

On page 1, strike out lines 1 to 4, inclusive, and strike out pages 2 and 3







**SYCUAN**  
 PLANNING & DEVELOPMENT  
 GIS DIVISION

## Sycuan Land Ownership/ Water Districts

Exhibit Date: February 2, 2016

- Sycuan Reservation
- Fee Land
- KDLC







**FOR IMMEDIATE RELEASE**

**Contact:**

Adam Day  
(619) 994-4855

**Sycuan Tribe Implements Aggressive Water Conservation Program  
*Part of Expanded Efforts to Increase Conservation, Reclamation, Reuse and Education***

SYCUAN INDIAN RESERVATION, CA (March 23, 2016) –The Sycuan Tribe completed a major reduction in overall water usage through an aggressive conservation program that includes retrofitting irrigation equipment, removing and replacing water-dependent landscaping and increasing awareness around the importance of water conservation.

The program has reduced the Tribe's reliance on groundwater at the golf course and resort by 25 percent and cut water use on properties within the Padre Dam and Otay municipal water districts by an average of 22 percent.

"Sycuan is committed to doing its part to conserve, reduce and reuse water throughout the reservation and our commercial enterprises," stated Chairman Cody Martinez. "We are proud of the reductions we have achieved so far and intend to increase our efforts this year and beyond."

Projects on the original reservation completed to date include the removal of more than 25,000 square feet of turf and replacement with drought-tolerant xeriscape landscaping or mulch; the replacement of more than 5,000 sprinkler nozzles; and the replacement of 35 irrigation clocks with "smart clocks" that self-adjust to real-time weather for more efficient use. Key staff members have also obtained EPA-recognized industry certifications to strengthen their knowledge of water conservation and reduction measures.

"During the first year of the program, we strategically and aggressively pursued a number of projects to reduce, reuse and reclaim our precious water resources," said Jim Park, Assistant Director of Landscaping. "We have doubled the lands irrigated with reclaimed water and converted high-water usage irrigation systems to drip, increasing efficiency from 40 to 90 percent in those areas. The installation of xeriscape landscaping has further resulted in a more than 50 percent reduction of water use throughout those properties."

## ADD 2 – Sycuan Recognized for Water Conservation Efforts

The Tribe plans to soon undertake additional projects that will build on the work already performed, including more turf removal; connecting substantial acreage of the original reservation to newly installed purple-pipe; installing a state-of-the-art reverse osmosis system to further benefit the groundwater well field; and expanding its water reclamation plant.

The Tribe's work has been recognized by the Metropolitan Water District of Southern California (MWD), which has provided more than \$65,000 in rebates to support the water conservation program. The original Sycuan Reservation is entirely dependent on groundwater, with newer portions of the reservation served by the Padre Dam and Otay municipal water districts.

### **About Sycuan:**

*Members of the Sycuan Band of the Kumeyaay Nation have resided in and around the foothills of the Dehesa Valley for nearly 12,000 years. Today they are a modern government providing public services to their members, employees and neighbors. The Sycuan Tribal Government operates one of the region's premier Indian gaming and resort facilities, the Sycuan Casino and Resort. The Sycuan Tribe demonstrates its strong commitment to the San Diego region through the support of hundreds of civic and charitable organizations.*

*The Tribe, through the Sycuan Tribal Development Corporation (STDC), also seeks to reinvest back into the San Diego community with a progressive business development effort. To date, STDC has purchased the former Singing Hills Country Club and the historic U.S. Grant Hotel; is an investor in Hotel Solamar near Petco Park; and is owner/developer of the Marina Gateway Hotel and Conference Center in National City. Combined, these enterprises now employ nearly 4,000 San Diegans. For more information on Sycuan visit [www.sycuantribe.com](http://www.sycuantribe.com)*

###

1 Kwaaypaay Court \* El Cajon, CA 92019

# SYCUAN BAND OF THE KUMEYAAY NATION

## *Municipal Water Availability Situation Analysis*

March 1, 2016

California was admitted into the Union as the 31<sup>st</sup> state in 1850. The Sycuan Reservation was established through Executive Order of President Ulysses Grant in 1875. Nearly all of the tribal reservations in California were never included within the boundaries of neighboring municipal water districts.

The Sycuan Reservation is uniquely placed in relation to surrounding water district boundaries. As the attached map indicates, the reservation is surrounded on three sides by two different water districts, the Otay Municipal Water District (OMWD) and the Padre Dam Municipal Water District (PDMWD). Both districts are retail water agencies and members of both the San Diego County Water Authority (CWA) and the Metropolitan Water District (MWD).

Within the last 15 years, due in part to the economic success of the tribal government gaming operation, the tribe has purchased a number of private parcels of land. These purchases occurred for a number of reasons, but primarily to provide adequate space for tribal member housing. In addition, the tribe has desired to keep adjoining land as permanent open space; to prevent further future development; to protect cultural and archaeological resources; and to expand the tribe's economic diversification. These lands of course are the aboriginal territory of the Sycuan Tribe pre-dating the establishment of California, the US, Mexico or even European contact by thousands of years.

Ironically, to better serve tribal homes on after-acquired parcels with a safe and reliable source of drinking water (as a result of unsafe groundwater due to upstream contamination), the tribe paid millions of dollars to extend the water line within the boundaries of the PDMWD. This line terminates a mere two feet from the boundary of the original reservation, yet cannot be extended on to the original reservation without lengthy, costly, unnecessary and uncertain artificial state-created processes, including affirmative votes by CWA and MWD, LAFCO review and approval and CEQA analysis.

The original reservation, or the "hole in the donut", is entirely dependent upon groundwater in a fractured rock system. This creates a unique public safety problem in the event of an earthquake or other emergency situation.

To ensure the public's safety in the event of a wildfire, earthquake, prolonged drought or other public emergency, Sycuan needs legislation requiring either adjoining municipal water district to serve the developed portions of the original Reservation, assuming the tribe pays all necessary and appropriate charges as any other similarly situated development or governmental entity. Legislation would also reflect the unique government-to-government relationship between the tribe and the state.





- **Board of Directors**  
***Communications and Legislation Committee***

4/12/2016 Board Meeting

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**8-10**

**Subject**

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Express opposition, unless amended, to AB 2470 (Gonzalez, D-San Diego) – Municipal Water Districts: Water Service for Indian Tribes

**Executive Summary**

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AB 2470, as amended April 4 ([Attachment 1](#)), is sponsored by the Sycuan Band of the Kumeyaay Nation (Sycuan). The Sycuan Reservation was established in 1875. The reservation is bounded by Otay and Padre Dam Municipal Water Districts, referred to as Otay and Padre hereafter. Both Otay and Padre are members of the San Diego County Water Authority (SDCWA), and both receive Metropolitan water supplies, including supplies from the State Water Project and Colorado River. The Sycuan claims that it needs additional water supplies to address public safety and emergency issues.

AB 2470 would require a municipal water district, as defined, to supply water to contiguous Indian tribe's lands upon request of the tribe. The bill requires water service be provided "as if the lands had been fully annexed," although formal annexation would not be required. Service of Metropolitan water by municipal water districts without annexing to Metropolitan and other member agencies in the line of distribution would be inequitable to existing ratepayers who funded the construction and ongoing operation of Metropolitan's conveyance and distribution system. Sycuan could request annexation through the existing process and has discussed this option with Metropolitan in the past. AB 2470 is not necessary and would shift costs onto existing ratepayers, therefore staff recommends Metropolitan oppose AB 2470, unless amended.

**Details**

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The Municipal Water District law (Water Code sections 71000, et seq.) governs water agencies that are formed under its provisions. Metropolitan has eleven member agencies that are municipal water districts (Calleguas, Central Basin, West Basin, Eastern, Western, Foothill, Inland Empire, Las Virgenes, Municipal Water District of Orange County, Three Valleys, and Upper San Gabriel Valley). SDCWA also has eight municipal water district member agencies. The existing law limits municipal water districts to sell water "within the district for use within the district." For property that is "not subject to district taxes," such as tribal land, existing law allows a district to supply and deliver water under terms and conditions determined by the district board.

AB 2470 would add a new section to the Municipal Water District law that requires such a district to provide water service to an Indian tribe's lands that are not within a municipal water district, but are contiguous. AB 2470 is sponsored by the Sycuan, who are seeking water service to be provided to their lands by either Otay or Padre—each of which are member agencies of SDCWA. Portions of the Sycuan reservation are within the boundaries of these two municipal water districts, but a portion, approximately 640 acres, is also outside both districts. The bill would require either district to serve the reservation lands outside their district boundaries. The provisions in AB 2470 are not limited to the Sycuan and could apply to other tribal properties as well.

AB 2470 provides that the water service to the Indian tribe's lands be "at the same terms available to the current customers of the district." This provision implies that the rates charged for water service will be the same as that charged to other customers. However, there is a problem if the water districts collect some portion of their

revenues through ad valorem property taxes or property assessments. Indian tribe's lands are exempt from property taxes. Reading the new section, Water Code section 71611.5, as added by AB 2470, in conjunction with Water Code section 71613 suggests that it may be allowable for the municipal water districts to set the rates for water service to the Indian tribe's lands so that those rates collect the revenues that would otherwise be collected in property taxes and assessments. But it is also arguable that the municipal water districts can only charge the same water rates charged other customers, and that the property tax revenues would simply be lost.

The bill requires the Indian tribe's lands be treated as if fully annexed. Under standard local practice, the addition of new territory to Otay or Padre would require annexation to one of them, SDCWA, and Metropolitan. This would also require the retailer to analyze the annexation under the California Environmental Quality Act (CEQA) and for the local county's Local Agency Formation Commission (LAFCO) to approve the annexation.

In 2008 and 2009, Otay proposed annexation of the 640 acres of Sycuan lands and issued CEQA analyses for public review, including a draft Environmental Impact Report in October 2009. Metropolitan commented on this pending annexation of the Sycuan reservation to Otay and worked to facilitate it with Otay, SDCWA, and Sycuan; but this annexation was not completed. Metropolitan commented that service of Metropolitan water by Otay would require formal annexation and a water supply assessment.

### **Effect on Metropolitan**

The bill does not amend the LAFCO requirements in the Government Code, the Metropolitan Water District Act, or the County Water Authority Act. The Cortese-Knox-Hertzberg Local Government Reorganization Act (LAFCO Act), requires county approval of all public agency reorganizations, including annexations. The Metropolitan Water District Act section 132 requires that "preference" shall be given to "uses within the district" and authorizes water sales outside the district of "surplus water not needed or required for domestic or municipal uses within the district." Section 4200 of the Metropolitan Administrative Code enforces this provision by providing: "District water will be available only to cities and areas now or hereafter included within the legal boundaries of the District." Similarly, Section 5(11) of the County Water Authority Act authorizes SDCWA to sell surplus water outside its boundaries subject to the paramount right to discontinue such deliveries. AB 2470 does not address these restrictions, although they apply to Otay and Padre because they receive imported water from Metropolitan and SDCWA.

Since AB 2470 only amends the Municipal Water District law, it cannot authorize Otay or Padre to deliver water supplied by Metropolitan and SDCWA to the Sycuan reservation lands outside the boundaries of those districts. This will create legal problems if Otay or Padre seek to deliver water to the un-annexed Sycuan lands pursuant to the new authority granted by AB 2470. In the past, Metropolitan has strongly objected to any member agency or sub-member agency selling water outside the Metropolitan service area; even if such sale is indirect (i.e., the sale of a local supply that is replaced by imported water). In light of the conflict the bill would create between the statutes governing Metropolitan and SDCWA, and the new authority granted to municipal water districts, it is not clear if the water service to the un-annexed Indian tribe's lands would be legal under California law.

There are also financial effects for Metropolitan and SDCWA if the un-annexed lands receive water service. Without any annexation, the Indian tribes would not be obligated to pay the annexation fees or any property taxes or assessments that are normally collected by Metropolitan and SDCWA. Thus, the sale of water to those lands would not fully cover the same costs charged to other retail customers of Metropolitan member agencies. These financial issues are not addressed in the bill.

Indian tribes are sovereign entities and cannot be sued in the event of any dispute—leaving the municipal water districts without any means to enforce any water service agreement or collect unpaid money. The tribe's sovereign immunity can only be waived by Congress or the Tribal Council. The State Legislature cannot require the tribe to submit to state or federal courts; so no amendment to AB 2470 can address this issue.

Metropolitan is currently working with Eastern Municipal Water District and its subagency Rancho California Water District on terms for water service to un-annexed portions of the Pechanga Reservation in Riverside County. The Pechanga are agreeing to pay an in-lieu of annexation charge that will provide the same revenues that would be charged for annexation and the present value of future property taxes. The Pechanga are further

agreeing to an extension of the service area boundaries to include the reservation lands. This agreement provides for a limited waiver of tribal sovereign immunity to deal with any disputes that arise. Further, the agreement is subject to the LAFCO process. If this approach is approved by Metropolitan's Board, it would be a preferable process for dealing with the Sycuan water service issues than the approach offered in AB 2470, which does not address annexation procedures or the property tax/assessment revenues that cannot be collected on tribal lands. AB 2470 is unnecessary if Sycuan follows existing local processes for annexation.

For these reasons, staff recommends that Metropolitan oppose AB 2470 unless amended. The bill would create an untenable position where Metropolitan, member agencies and subagencies would be required to serve imported water to an Indian tribe's land without any means for resolution of the financial and legal hurdles involved with that service. Water service to un-annexed tribal lands would violate the statutory constraints in the Metropolitan authorizing statutes.

If AB 2470 were amended to clarify that tribes had to substantially comply with all existing local processes, the bill would be acceptable. In this instance, the extension of water service to Sycuan would be reviewed and approved by LAFCO, Metropolitan, and the County Water Authority, in addition to requiring Sycuan to pay all the standard annexation charges and the estimated present value of ad valorem taxes, and to waive sovereign immunity to allow enforcement of the terms and conditions for water service.

## Policy

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MWD Act Sections 350, 351, 352, 353, 354, 355, and 356

Metropolitan Water District Administrative Code Section 3100, *et seq.*: Annexation Procedure

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (CEQA Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to CEQA Section 21065 as well as Section 15378(b)(1) of the State CEQA Guidelines.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and  
Express opposition unless amended to AB 2470

**Fiscal Impact:** Potential loss of annexation charges and tax revenue

**Business Analysis:** Service of Metropolitan water by municipal water districts without annexing to Metropolitan and other member agencies in the line of distribution would be inequitable to existing ratepayers who funded creation and ongoing operation of Metropolitan's conveyance and distribution system.

### Option #2

Take no position on AB 2470

**Fiscal Impact:** Potential loss of annexation charges and tax revenue

**Business Analysis:** Service of Metropolitan water by municipal water districts without annexing to Metropolitan and other member agencies in the line of distribution would be inequitable to existing ratepayers who funded creation and ongoing operation of Metropolitan's conveyance and distribution system.

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
Dee Zinke  
Assistant General Manager/Chief External  
Affairs Officer

4/6/2016

Date

  
\_\_\_\_\_  
Jeffrey Nighthlinger  
General Manager

4/7/2016

Date

**Attachment 1 – AB 2470, as amended April 4, 2016**

Ref# ea12643112

AMENDED IN ASSEMBLY APRIL 4, 2016  
AMENDED IN ASSEMBLY MARCH 29, 2016  
AMENDED IN ASSEMBLY MARCH 28, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL****No. 2470**

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**Introduced by Assembly Member Gonzalez**  
(Principal coauthor: Senator Anderson)  
**(Coauthors: Assembly Members Atkins, Jones, Maienschein, and Waldron)**  
(Coauthors: Senators Block and Hueso)

February 19, 2016

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An act to add Section 71611.5 to the Water Code, relating to water.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2470, as amended, Gonzalez. Municipal water districts: water service: Indian tribes.

Existing law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers. Existing law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Existing law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Existing law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers.

This bill, upon the request of an Indian tribe, would ~~authorize~~ *require* a district to provide ~~permanent or temporary~~ service of water to Indian lands, as prescribed. This bill would exempt the provision of water pursuant to these provisions from the California Environmental Quality Act. *at the same terms available to the current customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet certain requirements. By imposing new duties on a municipal water district, this bill would create a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 71611.5 is added to the Water Code, to  
2 read:

3 71611.5. ~~(a)~~Notwithstanding any other law, upon the request  
4 of an Indian tribe, a district ~~may~~ *shall* provide ~~permanent or~~  
5 ~~temporary~~ service of water at the same terms available to the  
6 current customers of the district to an Indian tribe's lands that are  
7 not within a ~~municipal water district~~ but are contiguous with at  
8 least two municipal water districts and lie within the special study  
9 area of at least one municipal water district, if at least 75 percent  
10 of the Indian tribe's total Indian lands are currently within the  
11 boundaries of one or more municipal water districts. *district as if*  
12 *the lands had been fully annexed within the district and any other*  
13 *special districts required for the provision of water service if the*  
14 *Indian tribe's lands meet all of the following requirements:*

15 (a) *The lands were owned by the tribe on January 1, 2016.*

16 (b) *The lands are contiguous with at least two districts.*

17 (c) *The lands lie within the special study area of at least one*  
18 *district.*

19 (d) *At least 75 percent of the Indian tribe's total Indian lands*  
20 *are currently within the boundaries of one or more districts.*

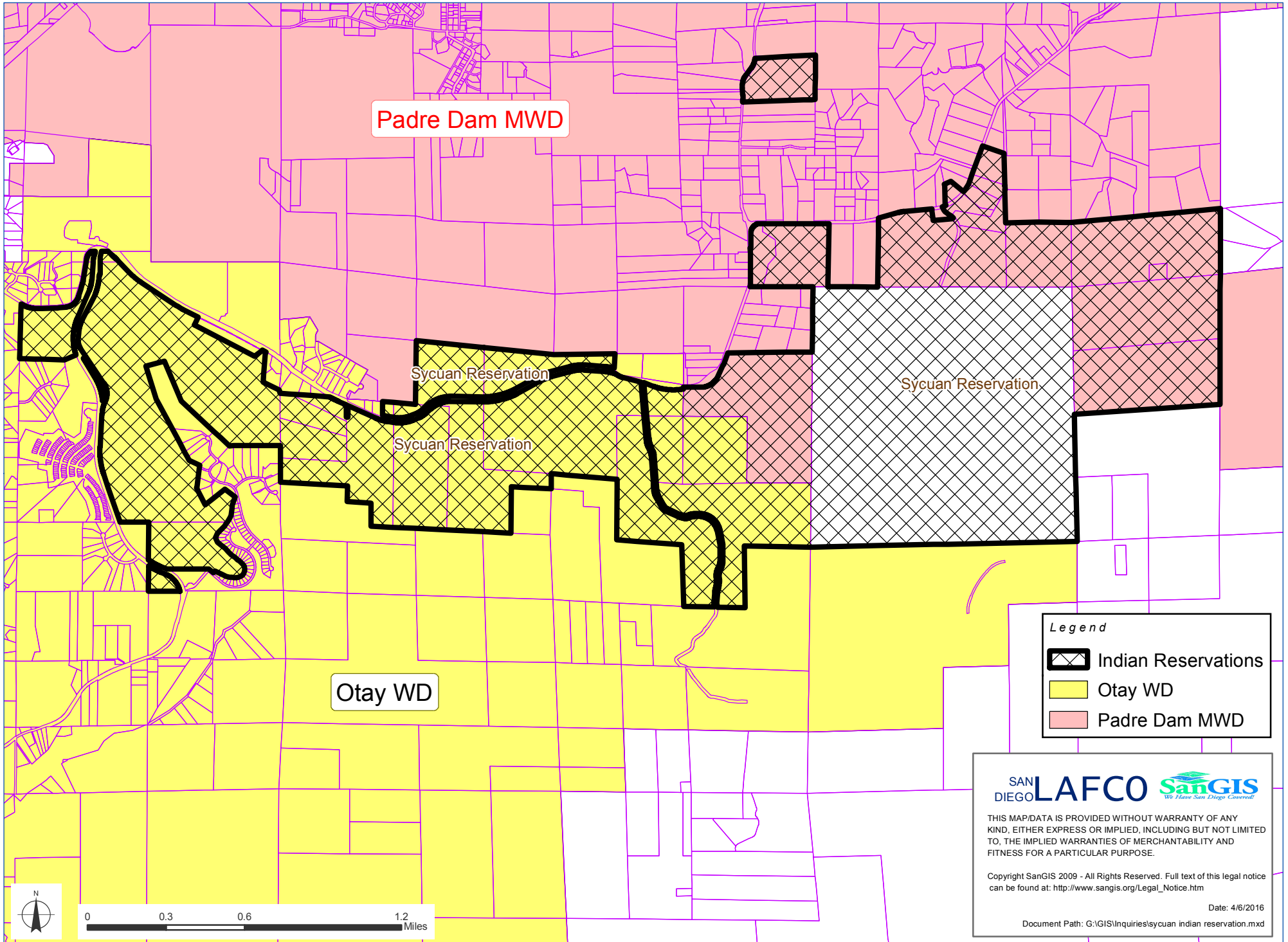
**3**

1 ~~(b) Division 13 (commencing with Section 21000) of the Public~~  
2 ~~Resources Code does not apply to the provision of water service~~  
3 ~~pursuant to this section.~~

4 *SEC. 2. No reimbursement is required by this act pursuant to*  
5 *Section 6 of Article XIII B of the California Constitution because*  
6 *a local agency or school district has the authority to levy service*  
7 *charges, fees, or assessments sufficient to pay for the program or*  
8 *level of service mandated by this act, within the meaning of Section*  
9 *17556 of the Government Code.*

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# San Diego LAFCO Inquiry: Sycuan Reservation



Padre Dam MWD




Sycuan Reservation

Sycuan Reservation

Sycuan Reservation

Otay WD

**Legend**

-  Indian Reservations
-  Otay WD
-  Padre Dam MWD

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AMENDED IN SENATE APRIL 12, 2016

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL****No. 1318**

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**Introduced by Senator Wolk**February 19, 2016

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An act to amend Sections ~~56133, 56133.5~~, 56375, 56425, and 56430 of the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1318, as amended, Wolk. Local government: drinking water infrastructure or services: wastewater infrastructure or services.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts.

~~Existing law authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries only if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Under existing 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 prohibit the commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has entered into an enforceable agreement to extend the same services to all disadvantaged communities within its sphere of influence or adjacent to its jurisdictional boundaries, unless specified conditions are met. The bill would prohibit the commission from approving a sphere of influence update where there exists a disadvantaged unincorporated community within the city's or~~

~~special district's sphere of influence or contiguous with a city's or qualifying special district's jurisdictional boundaries that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless specified conditions are met.~~

~~Existing law establishes a pilot program for the Napa and San Bernardino local agency formation commissions that permits those commissions to 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 prohibit those commissions from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has entered into an enforceable agreement to extend those services to all disadvantaged communities within its sphere of influence or contiguous with a city's or district's jurisdictional boundaries that lack safe drinking water or adequate wastewater infrastructure or services unless specified conditions are met.~~

Existing law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

This bill would extend that prohibition to an annexation to a qualified special district. ~~The bill would additionally prohibit a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community within the sphere of influence of a city or qualified special district or contiguous to the city's or qualified special district's jurisdictional boundaries that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services, unless, among other things, the city or qualified special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities. The bill would define "qualified special district" to mean a special district with more than 500 service connections that provides drinking water or wastewater services.~~

Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special

district within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere. Existing law authorizes the commission, in determining a sphere of influence, to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies, as provided.

~~This bill would instead require the commission to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies.~~ The bill would prohibit a commission from approving a sphere of influence update that removes a disadvantaged community from a city's or special district's sphere of influence unless the commission makes a finding that removal of the community will result in improved service delivery to the community.

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

Where there exists a disadvantaged unincorporated community that lacks adequate drinking water and wastewater services and infrastructure within or contiguous with the subject sphere, this bill would instead require the commission to make the assessment of alternatives and to include the safe drinking water review described above if the information is readily available from the State Water Resources Control Board or other sources. *This bill would, on or before January 1, 2022, and every 5 years thereafter, require the commission to conduct service reviews sufficient to have reviewed the entire territory of the county. The bill would require the commission to file a map of the county that identifies disadvantaged unincorporated communities that lack safe drinking water or adequate wastewater with the Office of Planning and Research, and would require the Office of Planning and Research to post the map on its Internet Web site. The bill would additionally require the commission, within 2 years of identifying a disadvantaged unincorporated community that lacks safe drinking water or adequate wastewater services, to recommend a plan based on the alternatives analyzed and adopt any actions necessary to implement the plan, as specified.*

By imposing new duties on local government officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. ~~Section 56133 of the Government Code is~~  
2 ~~amended to read:~~

3 ~~56133. (a) A city or district may provide new or extended~~  
4 ~~services by contract or agreement outside its jurisdictional~~  
5 ~~boundary only if it first requests and receives written approval~~  
6 ~~from the commission:~~

7 ~~(b) The commission may authorize a city or district to provide~~  
8 ~~new or extended services outside its jurisdictional boundary but~~  
9 ~~within its sphere of influence in anticipation of a later change of~~  
10 ~~organization:~~

11 ~~(c) If consistent with adopted policy, the commission may~~  
12 ~~authorize a city or district to provide new or extended services~~  
13 ~~outside its jurisdictional boundary and outside its sphere of~~  
14 ~~influence to respond to an existing or impending threat to the health~~  
15 ~~or safety of the public or the residents of the affected territory, if~~  
16 ~~both of the following requirements are met:~~

17 ~~(1) The entity applying for approval has provided the~~  
18 ~~commission with documentation of a threat to the health and safety~~  
19 ~~of the public or the affected residents:~~

20 ~~(2) The commission has notified any alternate service provider,~~  
21 ~~including any water corporation as defined in Section 241 of the~~  
22 ~~Public Utilities Code, that has filed a map and a statement of its~~  
23 ~~service capabilities with the commission:~~

24 ~~(d) The commission shall not authorize a city or a district to~~  
25 ~~extend drinking water infrastructure or services or wastewater~~  
26 ~~infrastructure or services pursuant to this section until it has entered~~

1 into an enforceable agreement to extend the same services to all  
2 disadvantaged communities within its sphere of influence or  
3 adjacent to its jurisdictional boundaries that lack safe drinking  
4 water or adequate wastewater services or infrastructure as soon as  
5 feasible to do so but within a period no longer than five years,  
6 unless either of the following conditions are met:

7 (1) The commission finds, based upon written evidence, that a  
8 majority of the residents of the affected disadvantaged community  
9 or communities are opposed to receiving the identified service or  
10 services. These findings shall not interfere with or inform other  
11 programs or policies designed to expand basic services to  
12 disadvantaged unincorporated communities, including, but not  
13 limited to, Sections 116680 to 116684, inclusive, of the Health  
14 and Safety Code.

15 (2) The extension of services is authorized pursuant to  
16 subdivision (c) or the extension of services is to a disadvantaged  
17 community.

18 (e)

19 The executive officer, within 30 days of receipt of a request  
20 for approval by a city or district to extend services outside its  
21 jurisdictional boundary, shall determine whether the request is  
22 complete and acceptable for filing or whether the request is  
23 incomplete. If a request is determined not to be complete, the  
24 executive officer shall immediately transmit that determination to  
25 the requester, specifying those parts of the request that are  
26 incomplete and the manner in which they can be made complete.  
27 When the request is deemed complete, the executive officer shall  
28 place the request on the agenda of the next commission meeting  
29 for which adequate notice can be given but not more than 90 days  
30 from the date that the request is deemed complete, unless the  
31 commission has delegated approval of requests made pursuant to  
32 this section to the executive officer. The commission or executive  
33 officer shall approve, disapprove, or approve with conditions the  
34 extended services. If the new or extended services are disapproved  
35 or approved with conditions, the applicant may request  
36 reconsideration, citing the reasons for reconsideration.

37 (f)

38 This section does not apply to any of the following:

39 (1) Two or more public agencies where the public service to be  
40 provided is an alternative to, or substitute for, public services

1 already being provided by an existing public service provider and  
2 where the level of service to be provided is consistent with the  
3 level of service contemplated by the existing service provider.

4 ~~(2) The transfer of nonpotable or nontreated water.~~

5 ~~(3) The provision of surplus water to agricultural lands and  
6 facilities, including, but not limited to, incidental residential  
7 structures, for projects that serve conservation purposes or that  
8 directly support agricultural industries. However, prior to extending  
9 surplus water service to any project that will support or induce  
10 development, the city or district shall first request and receive  
11 written approval from the commission in the affected county.~~

12 ~~(4) An extended service that a city or district was providing on  
13 or before January 1, 2001.~~

14 ~~(5) A local publicly owned electric utility, as defined by Section  
15 9604 of the Public Utilities Code, providing electric services that  
16 do not involve the acquisition, construction, or installation of  
17 electric distribution facilities by the local publicly owned electric  
18 utility, outside of the utility's jurisdictional boundary.~~

19 ~~(6) A fire protection contract, as defined in subdivision (a) of  
20 Section 56134.~~

21 ~~(g) This section applies only to the commission of the county  
22 in which the extension of service is proposed.~~

23 ~~(h) The commission shall not approve a sphere of influence  
24 update where there exists a disadvantaged unincorporated  
25 community within the city's or special district's sphere of influence  
26 or contiguous with a city's or qualifying special district's  
27 jurisdictional boundaries that lacks safe drinking water  
28 infrastructure or services or adequate wastewater infrastructure or  
29 services unless the city or special district or qualified special district  
30 has entered into an enforceable agreement to extend those services  
31 into the disadvantaged community or communities as soon as  
32 feasible to do so but within a period no longer than five years of  
33 the approval of the sphere of influence change or the commission  
34 finds, based upon written evidence, that a majority of the residents  
35 of the affected disadvantaged community or communities are  
36 opposed to receiving the identified service or services.~~

37 ~~(1) These findings shall not interfere with or inform other  
38 programs or policies designed to expand basic services to  
39 disadvantaged unincorporated communities, including, but not~~

1 limited to, Sections ~~116680 to 116684, inclusive,~~ of the Health  
2 and Safety Code.

3 ~~(2) A qualifying special district is a special district with more~~  
4 ~~than 500 service connections that provides drinking water or~~  
5 ~~wastewater services.~~

6 SEC. 2.— Section 56133.5 of the Government Code is amended  
7 to read:

8 56133.5.— (a) A pilot program is hereby established for the  
9 Napa and San Bernardino commissions. If consistent with adopted  
10 policy, the Napa and San Bernardino commissions may authorize  
11 a city or district to provide new or extended services outside its  
12 jurisdictional boundary and outside its sphere of influence to  
13 support existing or planned uses involving public or private  
14 properties, subject to approval at a noticed public hearing in which  
15 the commission makes all of the following determinations:

16 (1) The extension of service or services deficiency was identified  
17 and evaluated in a review of municipal services prepared pursuant  
18 to Section 56430.

19 (2) The extension of service will not result in either (1) adverse  
20 impacts on open space or agricultural lands or (2) growth inducing  
21 impacts.

22 (3) A sphere of influence change involving the subject territory  
23 and its affected agency is not feasible under this division or  
24 desirable based on the adopted policies of the commission.

25 (b) Subdivision (d) of Section 56133 shall apply to any request  
26 for new or extended services pursuant to this section.

27 (c) The commissions shall not authorize a city or a district to  
28 extend drinking water infrastructure or services or wastewater  
29 infrastructure or services pursuant to this section until it has entered  
30 into an enforceable agreement to extend those services to all  
31 disadvantaged communities within its sphere of influence or  
32 contiguous with a city's or district's jurisdictional boundaries that  
33 lack safe drinking water or adequate wastewater infrastructure or  
34 services as soon as feasible to do so but within a period no longer  
35 than five years of the approval of the underlying extension, unless  
36 either of the following conditions are met:

37 (1) The commission finds, based upon written evidence, that a  
38 majority of the residents of the affected disadvantaged community  
39 or communities are opposed to receiving the identified service or  
40 services. These findings shall not interfere with or inform other



1 ~~programs or policies designed to expand basic services to~~  
2 ~~disadvantaged unincorporated communities, including, but not~~  
3 ~~limited to, Sections 116680 to 116684, inclusive, of the Health~~  
4 ~~and Safety Code.~~

5 ~~(2) The extension of services is to a disadvantaged community.~~

6 ~~(d) For purposes of this section, “planned use” means any project~~  
7 ~~that is included in an approved specific plan as of July 1, 2015.~~

8 ~~(e) The Napa and San Bernardino commissions shall submit a~~  
9 ~~report before January 1, 2020, to the Legislature on their~~  
10 ~~participation in the pilot program, including how many requests~~  
11 ~~for extension of services were received pursuant to this section~~  
12 ~~and the action by the commission to approve, disapprove, or~~  
13 ~~approve with conditions. The report required to be submitted~~  
14 ~~pursuant to this subdivision shall be submitted in compliance with~~  
15 ~~Section 9795 of the Government Code.~~

16 ~~(f) The pilot program established pursuant to this section shall~~  
17 ~~be consistent with Chapter 8.5 (commencing with Section 1501)~~  
18 ~~of the Public Utilities Code.~~

19 ~~(g) This section shall remain in effect only until January 1, 2021,~~  
20 ~~and as of that date is repealed.~~

21 ~~SEC. 3. Section 56375 of the Government Code is amended~~  
22 ~~to read:~~

23 ~~56375. The commission shall have all of the following powers~~  
24 ~~and duties subject to any limitations upon its jurisdiction set forth~~  
25 ~~in this part:~~

26 ~~(a) (1) To review and approve with or without amendment,~~  
27 ~~wholly, partially, or conditionally, or disapprove proposals for~~  
28 ~~changes of organization or reorganization, consistent with written~~  
29 ~~policies, procedures, and guidelines adopted by the commission.~~

30 ~~(2) The commission may initiate proposals by resolution of~~  
31 ~~application for any of the following:~~

32 ~~(A) The consolidation of a district, as defined in Section 56036.~~

33 ~~(B) The dissolution of a district.~~

34 ~~(C) A merger.~~

35 ~~(D) The establishment of a subsidiary district.~~

36 ~~(E) The formation of a new district or districts.~~

37 ~~(F) A reorganization that includes any of the changes specified~~  
38 ~~in subparagraph (A), (B), (C), (D), or (E).~~

39 ~~(3) A commission may initiate a proposal described in paragraph~~  
40 ~~(2) only if that change of organization or reorganization is~~

1 consistent with a recommendation or conclusion of a study  
2 prepared pursuant to Section 56378, 56425, or 56430, and the  
3 commission makes the determinations specified in subdivision (b)  
4 of Section 56881.

5 (4) A commission shall not disapprove an annexation to a city,  
6 initiated by resolution, of contiguous territory that the commission  
7 finds is any of the following:

8 (A) Surrounded or substantially surrounded by the city to which  
9 the annexation is proposed or by that city and a county boundary  
10 or the Pacific Ocean if the territory to be annexed is substantially  
11 developed or developing, is not prime agricultural land as defined  
12 in Section 56064, is designated for urban growth by the general  
13 plan of the annexing city, and is not within the sphere of influence  
14 of another city.

15 (B) Located within an urban service area that has been delineated  
16 and adopted by a commission, which is not prime agricultural land,  
17 as defined by Section 56064, and is designated for urban growth  
18 by the general plan of the annexing city.

19 (C) An annexation or reorganization of unincorporated islands  
20 meeting the requirements of Section 56375.3.

21 (5) As a condition to the annexation of an area that is  
22 surrounded, or substantially surrounded, by the city to which the  
23 annexation is proposed, the commission may require, where  
24 consistent with the purposes of this division, that the annexation  
25 include the entire island of surrounded, or substantially surrounded,  
26 territory.

27 (6) A commission shall not impose any conditions that would  
28 directly regulate land use density or intensity, property  
29 development, or subdivision requirements.

30 (7) The decision of the commission with regard to a proposal  
31 to annex territory to a city shall be based upon the general plan  
32 and rezoning of the city. When the development purposes are not  
33 made known to the annexing city, the annexation shall be reviewed  
34 on the basis of the adopted plans and policies of the annexing city  
35 or county. A commission shall require, as a condition to  
36 annexation, that a city rezone the territory to be annexed or present  
37 evidence satisfactory to the commission that the existing  
38 development entitlements on the territory are vested or are already  
39 at build-out, and are consistent with the city's general plan.

1 However, the commission shall not specify how, or in what  
2 manner, the territory shall be rezoned.

3 (8) (A) Except for those changes of organization or  
4 reorganization authorized under Section 56375.3, and except as  
5 provided by subparagraph (B), a commission shall not approve an  
6 annexation to a city or to a qualified special district of any territory  
7 greater than 10 acres, or as determined by commission policy,  
8 where either of the following exists:

9 (i) (I) A disadvantaged unincorporated community that is  
10 contiguous to the area of proposed annexation, unless an  
11 application to annex the disadvantaged unincorporated community  
12 to the subject city has been filed with the executive officer.

13 (II) An application to annex a contiguous disadvantaged  
14 community shall not be required if either of the following apply:

15 (ia) A prior application for annexation of the same disadvantaged  
16 community has been made in the preceding five years.

17 (ib) The commission finds, based upon written evidence, that  
18 a majority of the registered voters within the affected disadvantaged  
19 community are opposed to annexation.

20 (ii) A disadvantaged unincorporated community within the  
21 sphere of influence of a city or qualified special district or  
22 contiguous to the city's or qualified special district's jurisdictional  
23 boundaries that lacks safe drinking water infrastructure or services  
24 or adequate wastewater infrastructure or services unless any of the  
25 following conditions are met:

26 (I) The city or qualified special district has entered into an  
27 enforceable agreement to extend those services into the  
28 disadvantaged community or communities as soon as feasible to  
29 do so but within a period no longer than five years of the approval  
30 of the annexation.

31 (II) The commission finds, based upon written evidence, that a  
32 majority of the residents of the affected disadvantaged community  
33 or communities are opposed to receiving the identified service or  
34 services. These findings shall not interfere with or inform other  
35 programs or policies designed to expand basic services to  
36 disadvantaged unincorporated communities, including, but not  
37 limited to, Sections 116680 to 116684, inclusive, of the Health  
38 and Safety Code.

39 (III) The annexation is an annexation of a disadvantaged  
40 community.

1 (B) For purposes of this paragraph, “a qualified special district”  
2 means a special district with more than 500 service connections  
3 that provides drinking water or wastewater services.

4 (b) With regard to a proposal for annexation or detachment of  
5 territory to, or from, a city or district or with regard to a proposal  
6 for reorganization that includes annexation or detachment, to  
7 determine whether territory proposed for annexation or detachment,  
8 as described in its resolution approving the annexation, detachment,  
9 or reorganization, is inhabited or uninhabited.

10 (c) With regard to a proposal for consolidation of two or more  
11 cities or districts, to determine which city or district shall be the  
12 consolidated successor city or district.

13 (d) To approve the annexation of unincorporated, noncontiguous  
14 territory, subject to the limitations of Section 56742, located in the  
15 same county as that in which the city is located, and that is owned  
16 by a city and used for municipal purposes and to authorize the  
17 annexation of the territory without notice and hearing.

18 (e) To approve the annexation of unincorporated territory  
19 consistent with the planned and probable use of the property based  
20 upon the review of general plan and rezoning designations. No  
21 subsequent change may be made to the general plan for the annexed  
22 territory or zoning that is not in conformance to the rezoning  
23 designations for a period of two years after the completion of the  
24 annexation, unless the legislative body for the city makes a finding  
25 at a public hearing that a substantial change has occurred in  
26 circumstances that necessitate a departure from the rezoning in  
27 the application to the commission.

28 (f) With respect to the incorporation of a new city or the  
29 formation of a new special district, to determine the number of  
30 registered voters residing within the proposed city or special district  
31 or, for a landowner-voter special district, the number of owners  
32 of land and the assessed value of their land within the territory  
33 proposed to be included in the new special district. The number  
34 of registered voters shall be calculated as of the time of the last  
35 report of voter registration by the county elections official to the  
36 Secretary of State prior to the date the first signature was affixed  
37 to the petition. The executive officer shall notify the petitioners of  
38 the number of registered voters resulting from this calculation.  
39 The assessed value of the land within the territory proposed to be

1 included in a new landowner-voter special district shall be  
2 calculated as shown on the last equalized assessment roll.

3 ~~(g) To adopt written procedures for the evaluation of proposals,~~  
4 ~~including written definitions consistent with existing state law.~~  
5 ~~The commission may adopt standards for any of the factors~~  
6 ~~enumerated in Section 56668. Any standards adopted by the~~  
7 ~~commission shall be written.~~

8 ~~(h) To adopt standards and procedures for the evaluation of~~  
9 ~~service plans submitted pursuant to Section 56653 and the initiation~~  
10 ~~of a change of organization or reorganization pursuant to~~  
11 ~~subdivision (a).~~

12 ~~(i) To make and enforce regulations for the orderly and fair~~  
13 ~~conduct of hearings by the commission.~~

14 ~~(j) To incur usual and necessary expenses for the~~  
15 ~~accomplishment of its functions.~~

16 ~~(k) To appoint and assign staff personnel and to employ or~~  
17 ~~contract for professional or consulting services to carry out and~~  
18 ~~effect the functions of the commission.~~

19 ~~(l) To review the boundaries of the territory involved in any~~  
20 ~~proposal with respect to the definiteness and certainty of those~~  
21 ~~boundaries, the nonconformance of proposed boundaries with lines~~  
22 ~~of assessment or ownership, and other similar matters affecting~~  
23 ~~the proposed boundaries.~~

24 ~~(m) To waive the restrictions of Section 56744 if it finds that~~  
25 ~~the application of the restrictions would be detrimental to the~~  
26 ~~orderly development of the community and that the area that would~~  
27 ~~be enclosed by the annexation or incorporation is so located that~~  
28 ~~it cannot reasonably be annexed to another city or incorporated as~~  
29 ~~a new city.~~

30 ~~(n) To waive the application of Section 22613 of the Streets and~~  
31 ~~Highways Code if it finds the application would deprive an area~~  
32 ~~of a service needed to ensure the health, safety, or welfare of the~~  
33 ~~residents of the area and if it finds that the waiver would not affect~~  
34 ~~the ability of a city to provide any service. However, within 60~~  
35 ~~days of the inclusion of the territory within the city, the legislative~~  
36 ~~body may adopt a resolution nullifying the waiver.~~

37 ~~(o) If the proposal includes the incorporation of a city, as defined~~  
38 ~~in Section 56043, or the formation of a district, as defined in~~  
39 ~~Section 2215 of the Revenue and Taxation Code, the commission~~

1 shall determine the property tax revenue to be exchanged by the  
2 affected local agencies pursuant to Section 56810.

3 ~~(p) To authorize a city or district to provide new or extended  
4 services outside its jurisdictional boundaries pursuant to Section  
5 56133.~~

6 ~~(q) To enter into an agreement with the commission for an  
7 adjoining county for the purpose of determining procedures for  
8 the consideration of proposals that may affect the adjoining county  
9 or where the jurisdiction of an affected agency crosses the boundary  
10 of the adjoining county.~~

11 ~~(r) To approve with or without amendment, wholly, partially,  
12 or conditionally, or disapprove pursuant to this section the  
13 annexation of territory served by a mutual water company formed  
14 pursuant to Part 7 (commencing with Section 14300) of Division  
15 3 of Title 1 of the Corporations Code that operates a public water  
16 system to a city or special district. Any annexation approved in  
17 accordance with this subdivision shall be subject to the state and  
18 federal constitutional prohibitions against the taking of private  
19 property without the payment of just compensation. This  
20 subdivision shall not impair the authority of a public agency or  
21 public utility to exercise eminent domain authority.~~

22 *SECTION 1. Section 56375 of the Government Code is*  
23 *amended to read:*

24 56375. The commission shall have all of the following powers  
25 and duties subject to any limitations upon its jurisdiction set forth  
26 in this part:

27 (a) (1) To review and approve with or without amendment,  
28 wholly, partially, or conditionally, or disapprove proposals for  
29 changes of organization or reorganization, consistent with written  
30 policies, procedures, and guidelines adopted by the commission.

31 (2) The commission may initiate proposals by resolution of  
32 application for any of the following:

33 (A) The consolidation of a district, as defined in Section 56036.

34 (B) The dissolution of a district.

35 (C) A merger.

36 (D) The establishment of a subsidiary district.

37 (E) The formation of a new district or districts.

38 (F) A reorganization that includes any of the changes specified  
39 in subparagraph (A), (B), (C), (D), or (E).

1 (3) A commission may initiate a proposal described in paragraph  
2 (2) only if that change of organization or reorganization is  
3 consistent with a recommendation or conclusion of a study  
4 prepared pursuant to Section 56378, 56425, or 56430, and the  
5 commission makes the determinations specified in subdivision (b)  
6 of Section 56881.

7 (4) A commission shall not disapprove an annexation to a city,  
8 initiated by resolution, of contiguous territory that the commission  
9 finds is any of the following:

10 (A) Surrounded or substantially surrounded by the city to which  
11 the annexation is proposed or by that city and a county boundary  
12 or the Pacific Ocean if the territory to be annexed is substantially  
13 developed or developing, is not prime agricultural land as defined  
14 in Section 56064, is designated for urban growth by the general  
15 plan of the annexing city, and is not within the sphere of influence  
16 of another city.

17 (B) Located within an urban service area that has been delineated  
18 and adopted by a commission, which is not prime agricultural land,  
19 as defined by Section 56064, and is designated for urban growth  
20 by the general plan of the annexing city.

21 (C) An annexation or reorganization of unincorporated islands  
22 meeting the requirements of Section 56375.3.

23 (5) As a condition to the annexation of an area that is  
24 surrounded, or substantially surrounded, by the city to which the  
25 annexation is proposed, the commission may require, where  
26 consistent with the purposes of this division, that the annexation  
27 include the entire island of surrounded, or substantially surrounded,  
28 territory.

29 (6) A commission shall not impose any conditions that would  
30 directly regulate land use density or intensity, property  
31 development, or subdivision requirements.

32 (7) The decision of the commission with regard to a proposal  
33 to annex territory to a city shall be based upon the general plan  
34 and rezoning of the city. When the development purposes are not  
35 made known to the annexing city, the annexation shall be reviewed  
36 on the basis of the adopted plans and policies of the annexing city  
37 or county. A commission shall require, as a condition to  
38 annexation, that a city rezone the territory to be annexed or present  
39 evidence satisfactory to the commission that the existing  
40 development entitlements on the territory are vested or are already



1 at build-out, and are consistent with the city’s general plan.  
2 However, the commission shall not specify how, or in what  
3 manner, the territory shall be rezoned.

4 (8) (A) Except for those changes of organization or  
5 reorganization authorized under Section 56375.3, and except as  
6 provided by subparagraph (B), a commission shall not approve an  
7 annexation to a city *or to a qualified special district* of any territory  
8 greater than 10 acres, or as determined by commission policy,  
9 where there exists a disadvantaged unincorporated community that  
10 is contiguous to the area of proposed annexation, unless an  
11 application to annex the disadvantaged unincorporated community  
12 to the subject city has been filed with the executive officer.

13 (B) An application to annex a contiguous disadvantaged  
14 community shall not be required if either of the following apply:

15 (i) A prior application for annexation of the same disadvantaged  
16 community has been made in the preceding five years.

17 (ii) The commission finds, based upon written evidence, that a  
18 majority of the registered voters within the affected ~~territory~~  
19 *disadvantaged unincorporated community* are opposed to  
20 annexation.

21 (C) *For purposes of this paragraph, “a qualified special*  
22 *district” means a special district with more than 500 service*  
23 *connections that provides drinking water or wastewater services.*

24 (b) With regard to a proposal for annexation or detachment of  
25 territory to, or from, a city or district or with regard to a proposal  
26 for reorganization that includes annexation or detachment, to  
27 determine whether territory proposed for annexation or detachment,  
28 as described in its resolution approving the annexation, detachment,  
29 or reorganization, is inhabited or uninhabited.

30 (c) With regard to a proposal for consolidation of two or more  
31 cities or districts, to determine which city or district shall be the  
32 consolidated successor city or district.

33 (d) To approve the annexation of unincorporated, noncontiguous  
34 territory, subject to the limitations of Section 56742, located in the  
35 same county as that in which the city is located, and that is owned  
36 by a city and used for municipal purposes and to authorize the  
37 annexation of the territory without notice and hearing.

38 (e) To approve the annexation of unincorporated territory  
39 consistent with the planned and probable use of the property based  
40 upon the review of general plan and rezoning designations. No

1 subsequent change may be made to the general plan for the annexed  
2 territory or zoning that is not in conformance to the rezoning  
3 designations for a period of two years after the completion of the  
4 annexation, unless the legislative body for the city makes a finding  
5 at a public hearing that a substantial change has occurred in  
6 circumstances that necessitate a departure from the rezoning in  
7 the application to the commission.

8 (f) With respect to the incorporation of a new city or the  
9 formation of a new special district, to determine the number of  
10 registered voters residing within the proposed city or special district  
11 or, for a landowner-voter special district, the number of owners  
12 of land and the assessed value of their land within the territory  
13 proposed to be included in the new special district. The number  
14 of registered voters shall be calculated as of the time of the last  
15 report of voter registration by the county elections official to the  
16 Secretary of State prior to the date the first signature was affixed  
17 to the petition. The executive officer shall notify the petitioners of  
18 the number of registered voters resulting from this calculation.  
19 The assessed value of the land within the territory proposed to be  
20 included in a new landowner-voter special district shall be  
21 calculated as shown on the last equalized assessment roll.

22 (g) To adopt written procedures for the evaluation of proposals,  
23 including written definitions consistent with existing state law.  
24 The commission may adopt standards for any of the factors  
25 enumerated in Section 56668. Any standards adopted by the  
26 commission shall be written.

27 (h) To adopt standards and procedures for the evaluation of  
28 service plans submitted pursuant to Section 56653 and the initiation  
29 of a change of organization or reorganization pursuant to  
30 subdivision (a).

31 (i) To make and enforce regulations for the orderly and fair  
32 conduct of hearings by the commission.

33 (j) To incur usual and necessary expenses for the  
34 accomplishment of its functions.

35 (k) To appoint and assign staff personnel and to employ or  
36 contract for professional or consulting services to carry out and  
37 effect the functions of the commission.

38 (l) To review the boundaries of the territory involved in any  
39 proposal with respect to the definiteness and certainty of those  
40 boundaries, the nonconformance of proposed boundaries with lines

1 of assessment or ownership, and other similar matters affecting  
2 the proposed boundaries.

3 (m) To waive the restrictions of Section 56744 if it finds that  
4 the application of the restrictions would be detrimental to the  
5 orderly development of the community and that the area that would  
6 be enclosed by the annexation or incorporation is so located that  
7 it cannot reasonably be annexed to another city or incorporated as  
8 a new city.

9 (n) To waive the application of Section 22613 of the Streets and  
10 Highways Code if it finds the application would deprive an area  
11 of a service needed to ensure the health, safety, or welfare of the  
12 residents of the area and if it finds that the waiver would not affect  
13 the ability of a city to provide any service. However, within 60  
14 days of the inclusion of the territory within the city, the legislative  
15 body may adopt a resolution nullifying the waiver.

16 (o) If the proposal includes the incorporation of a city, as defined  
17 in Section 56043, or the formation of a district, as defined in  
18 Section 2215 of the Revenue and Taxation Code, the commission  
19 shall determine the property tax revenue to be exchanged by the  
20 affected local agencies pursuant to Section 56810.

21 (p) To authorize a city or district to provide new or extended  
22 services outside its jurisdictional boundaries pursuant to Section  
23 56133.

24 (q) To enter into an agreement with the commission for an  
25 adjoining county for the purpose of determining procedures for  
26 the consideration of proposals that may affect the adjoining county  
27 or where the jurisdiction of an affected agency crosses the boundary  
28 of the adjoining county.

29 (r) To approve with or without amendment, wholly, partially,  
30 or conditionally, or disapprove pursuant to this section the  
31 annexation of territory served by a mutual water company formed  
32 pursuant to Part 7 (commencing with Section 14300) of Division  
33 3 of Title 1 of the Corporations Code that operates a public water  
34 system to a city or special district. Any annexation approved in  
35 accordance with this subdivision shall be subject to the state and  
36 federal constitutional prohibitions against the taking of private  
37 property without the payment of just compensation. This  
38 subdivision shall not impair the authority of a public agency or  
39 public utility to exercise eminent domain authority.

1     ~~SEC. 4.~~

2     *SEC. 2.* Section 56425 of the Government Code is amended  
3 to read:

4     56425. (a) In order to carry out its purposes and responsibilities  
5 for planning and shaping the logical and orderly development and  
6 coordination of local governmental agencies subject to the  
7 jurisdiction of the commission to advantageously provide for the  
8 present and future needs of the county and its communities, the  
9 commission shall develop and determine the sphere of influence  
10 of each city and each special district, as defined by Section 56036,  
11 within the county and enact policies designed to promote the logical  
12 and orderly development of areas within or adjacent to the sphere.

13     (b) Prior to a city submitting an application to the commission  
14 to update its sphere of influence, representatives from the city and  
15 representatives from the county shall meet to discuss the proposed  
16 new boundaries of the sphere and explore methods to reach  
17 agreement on development standards and planning and zoning  
18 requirements within the sphere to ensure that development within  
19 the sphere occurs in a manner that reflects the concerns of the  
20 affected city and is accomplished in a manner that promotes the  
21 logical and orderly development of areas within the sphere. If an  
22 agreement is reached between the city and county, the city shall  
23 forward the agreement in writing to the commission, along with  
24 the application to update the sphere of influence. The commission  
25 shall consider and adopt a sphere of influence for the city consistent  
26 with the policies adopted by the commission pursuant to this  
27 section, and the commission shall give great weight to the  
28 agreement to the extent that it is consistent with commission  
29 policies in its final determination of the city sphere.

30     (c) If the commission's final determination is consistent with  
31 the agreement reached between the city and county pursuant to  
32 subdivision (b), the agreement shall be adopted by both the city  
33 and county after a noticed public hearing. Once the agreement has  
34 been adopted by the affected local agencies and their respective  
35 general plans reflect that agreement, then any development  
36 approved by the county within the sphere shall be consistent with  
37 the terms of that agreement.

38     (d) If no agreement is reached pursuant to subdivision (b), the  
39 application may be submitted to the commission and the  
40 commission shall consider a sphere of influence for the city

1 consistent with the policies adopted by the commission pursuant  
2 to this section.

3 (e) In determining the sphere of influence of each local agency,  
4 the commission shall consider and prepare a written statement of  
5 its determinations with respect to each of the following:

6 (1) The present and planned land uses in the area, including  
7 agricultural and open-space lands.

8 (2) The present and probable need for public facilities and  
9 services in the area.

10 (3) The present capacity of public facilities and adequacy of  
11 public services that the agency provides or is authorized to provide.

12 (4) The existence of any social or economic communities of  
13 interest in the area if the commission determines that they are  
14 relevant to the agency.

15 (5) For an update of a sphere of influence of a city or special  
16 district that provides public facilities or services related to sewers,  
17 municipal and industrial water, or structural fire protection, that  
18 occurs pursuant to subdivision (g) on or after July 1, 2012, the  
19 present and probable need for those public facilities and services  
20 of any disadvantaged unincorporated communities within or  
21 adjacent to the existing sphere of influence.

22 (f) Upon determination of a sphere of influence, the commission  
23 shall adopt that sphere.

24 (g) On or before January 1, 2008, and every five years thereafter,  
25 the commission shall, as necessary, review and update each sphere  
26 of influence.

27 (h) In determining a sphere of influence, the commission ~~shall~~  
28 *may* assess the feasibility of governmental reorganization of  
29 particular agencies and recommend reorganization of those  
30 agencies when reorganization is found to be feasible and if  
31 reorganization will further the goals of orderly development and  
32 efficient and affordable service delivery. The commission shall  
33 make all reasonable efforts to ensure wide public dissemination  
34 of the recommendations.

35 (i) When adopting, amending, or updating a sphere of influence  
36 for a special district, the commission shall establish the nature,  
37 location, and extent of any functions or classes of services provided  
38 by existing districts.

39 (j) When adopting, amending, or updating a sphere of influence  
40 for a special district, the commission may require existing districts

1 to file written statements with the commission specifying the  
2 functions or classes of services provided by those districts.

3 (k) The commission shall not approve a sphere of influence  
4 update that removes a disadvantaged community from a city or a  
5 special district unless the commission makes a finding, based on  
6 written evidence, that the removal of the disadvantaged community  
7 will result in improved service delivery to the community.

8 ~~SEC. 5.~~

9 *SEC. 3.* Section 56430 of the Government Code is amended  
10 to read:

11 56430. (a) In order to prepare and to update spheres of  
12 influence in accordance with Section 56425, the commission shall  
13 conduct a service review of the municipal services provided in the  
14 county or other appropriate area designated by the commission.  
15 The commission shall include in the area designated for service  
16 review the county, the region, the subregion, or any other  
17 geographic area as is appropriate for an analysis of the service or  
18 services to be reviewed, and shall prepare a written statement of  
19 its determinations with respect to each of the following:

20 (1) Growth and population projections for the affected area.

21 (2) The location and characteristics of any disadvantaged  
22 unincorporated communities within or contiguous to the sphere  
23 of influence.

24 (3) Present and planned capacity of public facilities, adequacy  
25 of public services, and infrastructure needs or deficiencies including  
26 needs or deficiencies related to sewers, municipal and industrial  
27 water, and structural fire protection in any disadvantaged,  
28 unincorporated communities within or contiguous to the sphere  
29 of influence.

30 (4) Financial ability of agencies to provide services.

31 (5) Status of, and opportunities for, shared facilities.

32 (6) Accountability for community service needs, including  
33 governmental structure and operational efficiencies.

34 (7) Any other matter related to effective or efficient service  
35 delivery, as required by commission policy.

36 (b) In conducting a service review, the commission shall  
37 comprehensively review all of the agencies that provide the  
38 identified service or services within the designated geographic  
39 area. Where there exists a disadvantaged unincorporated  
40 community that lacks adequate drinking water and wastewater

1 services and infrastructure within or contiguous with the subject  
2 sphere, the commission shall assess various alternatives for  
3 improving efficiency and affordability of *drinking water or*  
4 *wastewater* infrastructure and service delivery within and  
5 contiguous to the sphere of influence, including, but not limited  
6 to, the consolidation of governmental agencies or the extension of  
7 services, or both.

8 (c) In conducting a service review, the commission shall include  
9 a review of whether the agencies under review, including any  
10 public water system as defined in Section 116275 of the Health  
11 and Safety Code, are in compliance with the California Safe  
12 Drinking Water Act (Chapter 4 (commencing with Section 116270)  
13 of Part 12 of Division 104 of the Health and Safety Code) if the  
14 information is ~~readily~~ available *from the State Water Resources*  
15 *Control Board or other sources*. A public water system may satisfy  
16 any request for information as to compliance with that act by  
17 submission of the consumer confidence or water quality report  
18 prepared by the public water system as provided by Section 116470  
19 of the Health and Safety Code.

20 (d) The commission may request information, as part of a service  
21 review under this section, from identified public or private entities  
22 that provide wholesale or retail supply of drinking water, including  
23 mutual water companies formed pursuant to Part 7 (commencing  
24 with Section 14300) of Division 3 of Title 1 of the Corporations  
25 Code, and private utilities, as defined in Section 1502 of the Public  
26 Utilities Code.

27 (e) (1) The commission shall conduct a service review before,  
28 or in conjunction with, but no later than the time it is considering  
29 an action to establish a sphere of influence in accordance with  
30 Section 56425 or 56426.5 or to update a sphere of influence  
31 pursuant to Section 56425.

32 (2) *On or before January 1, 2022, and every five years*  
33 *thereafter, the commission shall conduct service reviews sufficient*  
34 *to have reviewed the entire territory of the county.*

35 (f) *The commission shall file a map of the county that identifies*  
36 *disadvantaged unincorporated communities that lack safe drinking*  
37 *water or adequate wastewater in electronic format with the Office*  
38 *of Planning and Research. The Office of Planning and Research*  
39 *shall make the map available on its Internet Web site.*



1 (g) (1) *Within two years of identification of a disadvantaged*  
2 *unincorporated community that lacks safe drinking water or*  
3 *adequate wastewater services pursuant to this section, the*  
4 *commission shall recommend a plan based on the alternatives*  
5 *analyzed and shall adopt any actions necessary to implement the*  
6 *plan, including sphere of influence updates, extensions of service,*  
7 *or changes of organization.*

8 (2) *Actions taken to adopt a plan under this subdivision shall*  
9 *not be subject to an election or any protest proceedings, as defined*  
10 *in Section 56069.5, except that the commission shall conduct*  
11 *protest proceedings for residents of the disadvantaged community.*

12 (3) *The commission shall not be required to adopt or implement*  
13 *a plan if the commission finds, based on substantial evidence, that*  
14 *there is no technical or economically feasible way of connecting*  
15 *the disadvantaged unincorporated community to an existing system,*  
16 *considering any financial assistance available from the State Water*  
17 *Resources Control Board or any other applicable source of*  
18 *financial assistance. These findings shall not interfere with or*  
19 *inform other programs or policies designed to expand basic*  
20 *services to disadvantaged unincorporated communities, including,*  
21 *but not limited to, Sections 116680 to 116684, inclusive, of the*  
22 *Health and Safety Code.*

23 (h) (1) *Notwithstanding Section 56133, 56133.5, or 56375, on*  
24 *and after January 1, 2022, a commission shall not change the*  
25 *sphere of influence of, or authorize extension of services by, a*  
26 *qualifying city or special district if the commission has not done*  
27 *one of the following:*

28 (A) *Conducted the analysis required by this section.*

29 (B) *Adopted a plan or taken the actions required by subdivision*  
30 *(g).*

31 (2) *Notwithstanding Section 56133, 56133.5, or 56375, a*  
32 *commission shall not change the sphere of influence of, or*  
33 *authorize an extension of services by, a qualifying city or special*  
34 *district if the city or special district has been designated in a plan*  
35 *developed pursuant to subdivision (g) to provide water or*  
36 *wastewater services and the city or special district has not begun*  
37 *providing water or wastewater service, as identified by the*  
38 *commission's plan, within three years of being designated in the*  
39 *plan.*

1     (3) *The prohibition against a change to a sphere of influence*  
2 *or extension of service pursuant to paragraphs (1) and (2) shall*  
3 *not apply to either of the following:*

4     (A) *An application to extend services to, or include in their*  
5 *sphere of influence, a disadvantaged unincorporated community.*

6     (B) *An extension of service authorized pursuant to subdivision*  
7 *(c) of Section 56133.*

8     (i) *As used in this section, “a qualifying city or special district”*  
9 *means a city or special district that provides water service or*  
10 *wastewater services and serves 500 or more connections.*

11     ~~SEC. 6.~~

12     SEC. 4. If the Commission on State Mandates determines that  
13 this act contains costs mandated by the state, reimbursement to  
14 local agencies and school districts for those costs shall be made  
15 pursuant to Part 7 (commencing with Section 17500) of Division  
16 4 of Title 2 of the Government Code.

**ASSEMBLY BILL****No. 2910**

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**Introduced by Committee on Local Government (Assembly Members Eggman (Chair), Waldron (Vice Chair), Alejo, Bonilla, Chiu, Cooley, Gordon, and Linder)**

March 15, 2016

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An act to amend Sections 56134, 56150, 56301, 56331, 56700.4, 56816, 56881, and 57130 of the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2910, as introduced, Committee on Local Government. Local government: organization: omnibus bill.

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under existing law, with certain exceptions, a public agency is authorized to exercise new or extended services outside the public agency's jurisdictional boundaries pursuant to a fire protection contract only if the public agency receives written approval from the local agency formation commission in the affected county. Existing law defines the term "jurisdictional boundaries" for these purposes. Existing law, for these purposes, references a public agency's current service area.

This bill would revise these provisions to remove references to a public agency's current service area and instead include references to the public agency's jurisdictional boundaries. The bill would additionally make other technical changes.

(2) Existing law requires notices required by the act to be published, posted, or mailed pursuant to its provisions.

This bill would permit the use of electronic mail, if available to the recipient, or hand delivery, if notice is required to be mailed.

(3) Existing law states that the purpose of a local agency formation commission is, among other things, to efficiently provide government services.

This bill would instead provide that one of the purposes of a commission is to ensure the efficient provision of government services.

(4) Existing law establishes the membership of local agency formation commissions in each county, and authorizes appointment of a public member and an alternate public member.

This bill would require the public member and alternate public member to be residents of the affected county.

(5) Existing law requires a proponent of a change of organization or reorganization, of cities and districts, to file a notice of intention with the local agency formation commission prior to circulating a petition, as specified.

This bill would exempt from this requirement a petition signed by landowners if all parcels within the affected territory are vested under the same ownership.

(6) Existing law requires a city that is subject to disincorporation to ascertain information relating to the city's debt or contractual obligations and responsibilities, and provide a written statement to the local agency formation commission that includes, among other things, the amount of any tax levy or other obligation due to the city that is unpaid or has not been collected.

This bill would make a technical change to this provision.

(7) Existing law requires a local agency formation commission to adopt a resolution making determinations approving or disapproving a proposal, and requires the resolution for a proposal initiated by the commission to make a determination that a change of organization or reorganization that is authorized by the commission promotes public access and accountability for community services needs and financial resources.

This bill would make a technical change to this provision.

(8) Existing law requires notice of each change of organization or reorganization election to be given by publication, posting, and mailing, as specified. This bill would correct an incorrect cross reference in this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 56134 of the Government Code is  
2 amended to read:  
3 56134. (a) (1) For the purposes of this section, “fire protection  
4 contract” means a contract or agreement for the exercise of new  
5 or extended fire protection services outside a public agency’s  
6 jurisdictional boundaries, as authorized by Chapter 4 (commencing  
7 with Section 55600) of Part 2 of Division 2 of Title 5 of this code  
8 or by Article 4 (commencing with Section 4141) of Chapter 1 of  
9 Part 2 of Division 4 of the Public Resources Code, except those  
10 contracts entered into pursuant to Sections 4143 and 4144 of the  
11 Public Resources Code, that does either of the following:  
12 (A) Transfers responsibility for providing services in more than  
13 25 percent of the area within the jurisdictional boundaries of any  
14 public agency affected by the contract or agreement.  
15 (B) Changes the employment status of more than 25 percent of  
16 the employees of any public agency affected by the contract or  
17 agreement.  
18 (2) A contract or agreement for the exercise of new or extended  
19 fire protection services outside a public agency’s jurisdictional  
20 boundaries, as authorized by Chapter 4 (commencing with Section  
21 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4  
22 (commencing with Section 4141) of Chapter 1 of Part 2 of Division  
23 4 of the Public Resources Code, except those contracts entered  
24 into pursuant to Sections 4143 and 4144 of the Public Resources  
25 Code, that, in combination with other contracts or agreements,  
26 would produce the results described in subparagraph (A) or (B)  
27 of paragraph (1) shall be deemed a fire protection contract for the  
28 purposes of this section.  
29 (3) For the purposes of this section, “jurisdictional boundaries”  
30 shall include the territory or lands protected pursuant to a fire  
31 protection contract entered into on or before December 31, 2015.  
32 An extension of a fire protection contract entered into on or before  
33 December 31, 2015, that would produce the results described in  
34 subparagraph (A) or (B) of paragraph (1) shall be deemed a fire  
35 protection contract for the purposes of this section.

1 (b) Notwithstanding Section 56133, a public agency may provide  
2 new or extended services pursuant to a fire protection contract  
3 only if it first requests and receives written approval from the  
4 commission in the affected county pursuant to the requirements  
5 of this section.

6 (c) A request by a public agency for commission approval of  
7 new or extended services provided pursuant to a fire protection  
8 contract shall be made by the adoption of a resolution of application  
9 as follows:

10 (1) In the case of a public agency that is not a state agency, the  
11 application shall be initiated by the adoption of a resolution of  
12 application by the legislative body of the public agency proposing  
13 to provide new or extended services outside the public agency's  
14 ~~current service area.~~ *jurisdictional boundaries.*

15 (2) In the case of a public agency that is a state agency, the  
16 application shall be initiated by the director of the state agency  
17 proposing to provide new or extended services outside the agency's  
18 ~~current service area.~~ *jurisdictional boundaries* and be approved by  
19 the Director of Finance.

20 (3) In the case of a public agency that is a local agency currently  
21 under contract with a state agency for the provision of fire  
22 protection services and proposing to provide new or extended  
23 services by the expansion of the existing contract or agreement,  
24 the application shall be initiated by the public agency that is a local  
25 agency and be approved by the Director of Finance.

26 (d) The legislative body of a public agency or the director of a  
27 state agency shall not submit a resolution of application pursuant  
28 to this section unless both of the following occur:

29 (1) The public agency does either of the following:

30 (A) Obtains and submits with the resolution a written agreement  
31 validated and executed by each affected public agency and  
32 recognized employee organization that represents firefighters of  
33 the existing and proposed service providers consenting to the  
34 proposed fire protection contract.

35 (B) Provides, at least 30 days prior to the hearing held pursuant  
36 to paragraph (2), written notice to each affected public agency and  
37 recognized employee organization that represents firefighters of  
38 the existing and proposed service providers of the proposed fire  
39 protection contract and submits a copy of each written notice with

1 the resolution of application. The notice shall, at minimum, include  
2 a full copy of the proposed contract.

3 (2) The public agency conducts an open and public hearing on  
4 the resolution, conducted pursuant to the Ralph M. Brown Act  
5 (Chapter 9 (commencing with Section 54950) of Part 1 of Division  
6 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9  
7 (commencing with Section 11120) of Chapter 1 of Part 1 of  
8 Division 3 of Title 2), as applicable.

9 (e) A resolution of application submitted pursuant to this section  
10 shall be submitted with a plan which shall include all of the  
11 following information:

12 (1) The total estimated cost to provide the new or extended fire  
13 protection services in the affected territory.

14 (2) The estimated cost of the new or extended fire protection  
15 services to customers in the affected territory.

16 (3) An identification of existing service providers, if any, of the  
17 new or extended services proposed to be provided and the potential  
18 fiscal impact to the customers of those existing providers.

19 (4) A plan for financing the exercise of the new or extended fire  
20 protection services in the affected territory.

21 (5) Alternatives for the exercise of the new or extended fire  
22 protection services in the affected territory.

23 (6) An enumeration and description of the new or extended fire  
24 protection services proposed to be extended to the affected territory.

25 (7) The level and range of new or extended fire protection  
26 services.

27 (8) An indication of when the new or extended fire protection  
28 services can feasibly be extended to the affected territory.

29 (9) An indication of any improvements or upgrades to structures,  
30 roads, sewer or water facilities, or other conditions the public  
31 agency would impose or require within the affected territory if the  
32 fire protection contract is completed.

33 (10) A determination, supported by documentation, that the  
34 proposed fire protection contract meets the criteria established  
35 pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph  
36 (2), as applicable, of subdivision (a).

37 (f) The applicant shall cause to be prepared by contract an  
38 independent-comprehensive fiscal analysis to be submitted with  
39 the application pursuant to this section. The analysis shall review  
40 and document all of the following:



- 1 (1) A thorough review of the plan for services submitted by the  
2 public agency pursuant to subdivision (e).
- 3 (2) How the costs of the existing service provider compare to  
4 the costs of services provided in service areas with similar  
5 populations and of similar geographic size that provide a similar  
6 level and range of services and make a reasonable determination  
7 of the costs expected to be borne by the public agency providing  
8 new or extended fire protection services.
- 9 (3) Any other information and analysis needed to support the  
10 findings required by subdivision (j).
- 11 (g) The clerk of the legislative body of a public agency or the  
12 director of a state agency adopting a resolution of application  
13 pursuant to this section shall file a certified copy of the resolution  
14 with the executive officer.
- 15 (h) (1) The executive officer, within 30 days of receipt of a  
16 public agency's request for approval of a fire protection contract,  
17 shall determine whether the request is complete and acceptable  
18 for filing or whether the request is incomplete. If a request does  
19 not comply with the requirements of subdivision (d), the executive  
20 officer shall determine that the request is incomplete. If a request  
21 is determined incomplete, the executive officer shall immediately  
22 transmit that determination to the requester, specifying those parts  
23 of the request that are incomplete and the manner in which they  
24 can be made complete. When the request is deemed complete, the  
25 executive officer shall place the request on the agenda of the next  
26 commission meeting for which adequate notice can be given but  
27 not more than 90 days from the date that the request is deemed  
28 complete.
- 29 (2) The commission shall approve, disapprove, or approve with  
30 conditions the contract for new or extended services following the  
31 hearing at the commission meeting, as provided in paragraph (1).  
32 If the contract is disapproved or approved with conditions, the  
33 applicant may request reconsideration, citing the reasons for  
34 reconsideration.
- 35 (i) (1) The commission shall not approve an application for  
36 approval of a fire protection contract unless the commission  
37 determines that the public agency will have sufficient revenues to  
38 carry out the exercise of the new or extended fire protection  
39 services outside its ~~current area~~, *jurisdictional boundaries*, except  
40 as specified in paragraph (2).

1 (2) The commission may approve an application for approval  
2 of a fire protection contract where the commission has determined  
3 that the public agency will not have sufficient revenue to provide  
4 the proposed new or different functions or class of services, if the  
5 commission conditions its approval on the concurrent approval of  
6 sufficient revenue sources pursuant to Section 56886. In approving  
7 a proposal, the commission shall provide that, if the revenue  
8 sources pursuant to Section 56886 are not approved, the authority  
9 of the public agency to provide new or extended fire protection  
10 services shall not be exercised.

11 (j) The commission shall not approve an application for approval  
12 of a fire protection contract unless the commission determines,  
13 based on the entire record, all of the following:

14 (1) The proposed exercise of new or extended fire protection  
15 services outside a public agency's ~~current service area~~  
16 *jurisdictional boundaries* is consistent with the intent of this  
17 division, including, but not limited to, the policies of Sections  
18 56001 and 56300.

19 (2) The commission has reviewed the ~~comprehensive~~ fiscal  
20 analysis prepared pursuant to subdivision (f).

21 (3) The commission has reviewed any testimony presented at  
22 the public hearing.

23 (4) The proposed affected territory is expected to receive  
24 revenues sufficient to provide public services and facilities and a  
25 reasonable reserve during the three fiscal years following the  
26 effective date of the contract or agreement between the public  
27 agencies to provide the new or extended fire protection services.

28 (k) At least 21 days prior to the date of the hearing, the executive  
29 officer shall give mailed notice of that hearing to each affected  
30 local agency or affected county, and to any interested party who  
31 has filed a written request for notice with the executive officer. In  
32 addition, at least 21 days prior to the date of that hearing, the  
33 executive officer shall cause notice of the hearing to be published  
34 in accordance with Section 56153 in a newspaper of general  
35 circulation that is circulated within the territory affected by the  
36 proposal proposed to be adopted and shall post the notice of the  
37 hearing on the commission's Internet Web site.

38 (l) The commission may continue from time to time any hearing  
39 called pursuant to this section. The commission shall hear and  
40 consider oral or written testimony presented by any affected local

1 agency, affected county, or any interested person who appears at  
 2 any hearing called and held pursuant to this section.

3 (m) This section shall not be construed to abrogate a public  
 4 agency’s obligations under the Meyers-Milias-Brown Act (Chapter  
 5 10 (commencing with Section 3500) of Division 4 of Title 1).

6 SEC. 2. Section 56150 of the Government Code is amended  
 7 to read:

8 56150. Unless the provision or context otherwise requires,  
 9 whenever this division requires notice to be published, posted, or  
 10 mailed, the notice shall be published, posted, or mailed as provided  
 11 in this chapter. *The requirement for mailed notice to be given*  
 12 *pursuant to this division may be satisfied by providing the notice*  
 13 *by electronic mail, if available to the recipient, or by hand delivery.*  
 14 Unless the provision or context otherwise requires, whenever this  
 15 division requires notice to be given that notice shall also be given  
 16 in electronic format on a website provided by the commission, to  
 17 the extent that the commission maintains a website.

18 SEC. 3. Section 56301 of the Government Code is amended  
 19 to read:

20 56301. Among the purposes of a commission are discouraging  
 21 urban sprawl, preserving open-space and prime agricultural lands,  
 22 ~~efficiently providing~~ *ensuring the efficient provision of* government  
 23 services, and encouraging the orderly formation and development  
 24 of local agencies based upon local conditions and circumstances.  
 25 One of the objects of the commission is to make studies and to  
 26 obtain and furnish information which will contribute to the logical  
 27 and reasonable development of local agencies in each county and  
 28 to shape the development of local agencies so as to advantageously  
 29 provide for the present and future needs of each county and its  
 30 communities. When the formation of a new government entity is  
 31 proposed, a commission shall make a determination as to whether  
 32 existing agencies can feasibly provide the needed service or  
 33 services in a more efficient and accountable manner. If a new  
 34 single-purpose agency is deemed necessary, the commission shall  
 35 consider reorganization with other single-purpose agencies that  
 36 provide related services.

37 SEC. 4. Section 56331 of the Government Code is amended  
 38 to read:

39 56331. When appointing a public member pursuant to Sections  
 40 56325, 56326, 56326.5, 56327, 56328, 56328.5, and 56329, the

1 commission may also appoint one alternate public member who  
2 may serve and vote in place of a regular public member who is  
3 absent or who disqualifies himself or herself from participating in  
4 a meeting of the commission. *The public member and the alternate*  
5 *public member shall be residents of the affected county.*

6 If the office of a regular public member becomes vacant, the  
7 alternate member may serve and vote in place of the former regular  
8 public member until the appointment and qualification of a regular  
9 public member to fill the vacancy.

10 No person appointed as a public member or alternate public  
11 member pursuant to this chapter shall be an officer or employee  
12 of the county or any city or district with territory in the county,  
13 provided, however, that any officer or employee serving on January  
14 1, 1994, may complete the term for which he or she was appointed.

15 SEC. 5. Section 56700.4 of the Government Code is amended  
16 to read:

17 56700.4. (a) Before circulating any petition for change of  
18 organization, the proponent shall file with the executive officer a  
19 notice of intention that shall include the name and mailing address  
20 of the proponent and a written statement, not to exceed 500 words  
21 in length, setting forth the reasons for the proposal. The notice  
22 shall be signed by a representative of the proponent, and shall be  
23 in substantially the following form:

24  
25 Notice of Intent to Circulate Petition

26  
27 Notice is hereby given of the intention to circulate a petition  
28 proposing to \_\_\_\_.

29 The reasons for the proposal are:

30 (b) After the filing required pursuant to subdivision (a), the  
31 petition may be circulated for signatures.

32 (c) Upon receiving the notice, the executive officer shall notify  
33 affected local agencies.

34 (d) The notice requirements of this section shall apply in addition  
35 to any other applicable notice requirements.

36 (e) *This section shall not apply to any petition signed by*  
37 *landowners if all parcels within the affected territory are vested*  
38 *under the same ownership.*

39 SEC. 6. Section 56816 of the Government Code is amended  
40 to read:

1 56816. (a) It is the intent of the Legislature that any proposal  
 2 that includes the disincorporation of a city result in a determination  
 3 that the debt or contractual obligations and responsibilities of the  
 4 city being disincorporated shall be the responsibility of that same  
 5 territory for repayment. To ascertain this information, the city shall  
 6 provide a written statement that determines and certifies all of the  
 7 following to the commission prior to the issuance of a certificate  
 8 of filing for a disincorporation proposal, pursuant to Sections 56651  
 9 and 56658:

- 10 (1) The indebtedness of the city.
- 11 (2) The amount of money in the city’s treasury.
- 12 (3) The amount of any tax levy or other obligation due *to* the  
 13 city that is unpaid or has not been collected.
- 14 (4) The amount of current and future liabilities, both internal  
 15 debt owed to other special or restricted funds or enterprise funds  
 16 within the agency and external debt owed to other public agencies  
 17 or outside lenders or that results from contractual obligations,  
 18 which may include contracts for goods or services, retirement  
 19 obligations, actuarially determined unfunded pension liability of  
 20 all classes in a public retirement system, including any  
 21 documentation related to the termination of public retirement  
 22 contract provisions, and the liability for other postemployment  
 23 benefits. The information required by this paragraph shall include  
 24 any associated revenue stream for financing that may be or has  
 25 been committed to that liability, including employee contributions.

26 (b) The city shall provide a written statement identifying the  
 27 successor agency to the city’s former redevelopment agency, if  
 28 any, pursuant to Section 34173 of the Health and Safety Code.

29 SEC. 7. Section 56881 of the Government Code is amended  
 30 to read:

31 56881. The resolution making determinations shall also do all  
 32 of the following:

- 33 (a) Make any of the findings or determinations authorized or  
 34 required pursuant to Section 56375.
- 35 (b) For any proposal initiated by the commission pursuant to  
 36 subdivision (a) of Section 56375, make both of the following  
 37 determinations:
  - 38 (1) Public service costs of a proposal that the commission is  
 39 authorizing are likely to be less than or substantially similar to the  
 40 costs of alternative means of providing the service.

1 (2) A change—~~or~~ of organization or reorganization that is  
2 authorized by the commission promotes public access and  
3 accountability for community services needs and financial  
4 resources.

5 (c) If applicable, assign a distinctive short-term designation to  
6 the affected territory and a description of the territory.

7 (d) Initiate protest proceedings pursuant to Part 4 (commencing  
8 with Section 57000) in compliance with the resolution.

9 SEC. 8. Section 57130 of the Government Code is amended  
10 to read:

11 57130. The elections official shall cause notice of each change  
12 of organization or reorganization election to be given by  
13 publication, posting, and mailing as provided in Chapter—~~1~~ 2  
14 (commencing with Section 57025) of Part 4.

O