



## Solano Local Agency Formation Commission

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### Staff Report

DATE: March 21, 2016  
TO: Local Agency Formation Commission  
FROM: Elliot Mulberg, Executive Officer  
SUBJECT: **Legislative Report**

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Recommendation: That the Commission receive and file this report.

As of the filing deadline on February 19 two thousand and eighty six bills have been introduced, 705 in the Senate and 1,381 in the Assembly. CALAFCO sponsored SB 1266 (McGuire) which requires JPA's that provide municipal services to file a copy of the agreement with their LAFCO. This will provide LAFCO's with needed data on services provided in their county. There is no intention for LAFCO to assume any authority over JPA's.

Also of interest is SB 817 (Roth) which provides for the state to return the VLF lost to ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. Not as great an impact but an impact none-the-less is the loss of VLF from annexation of islands to cities. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2016/17 year. Similar bills were passed in the last session SB 25 and SB 69 which were vetoed by the Governor. CALAFCO has taken a support position on this bill and requested member LAFCOs to lend their support as well. AB 2277 (Melendez) also addresses the loss of VLF with annexations.

One other bill to monitor is SB 1262 (Pavley). The bill would require a city or county that determines a project is subject to CEQA to identify any water system whose service area includes the project site and any water system adjacent to the project site. If a water source for a proposed project includes water that doesn't meet drinking water standards, additional information must be included in a water supply assessment. If no water system is identified, the bill would require a city or county to prepare a technical report containing prescribed information.

As of March 8, 2016

**CALAFCO Sponsored**

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

**Status:** 3/3/2016-Referred to Com. on GOV. & F.

**Summary:**

This is a CALAFCO sponsored bill with a number of amendments pending that should have been included when the bill was introduced. The intent is that 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 is formed for the purposes of delivering municipal services, shall 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.

**CALAFCO Position:** Sponsor

**Finance**

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

**Status:** 3/3/2016-Re-referred to Com. on GOV. & F.

**Summary:** 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 January 1, 2004 and January 1, 2012.

**CALAFCO Position:** Support

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

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

**Summary:** As introduced, this bill is identical to AB 448 (Brown) from 2015 and AB 1521 (Fox) from 2014. 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 2016-17 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2017-18, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation.

**CALAFCO Position:** Watch

**Water**

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

**Status:** 3/3/2016-Referred to Coms. on N.R. & W. and GOV. & F.

**Summary:** 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 section 10910.

**CALAFCO Position:** Watch

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

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

**Summary:** 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.

**CALAFCO Position:** Watch

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

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

**Status:** 3/3/2016- Referred to Coms. on GOV. & F. and E.Q.

**Summary:** 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. This bill adds a number of mandates to LAFcos.

Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services 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. This bill contains other related provisions and other existing laws.

**CALAFCO Position:** Watch

#### **Special Districts**

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

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

#### **Summary:**

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

**CALAFCO Position:** Watch

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

**Status:** 2/19/2016-From printer. May be heard in committee March 20.

**Summary:**

Would authorize a governing body of a special district, as defined, to require, by resolution, that the election of the members of its governing body be elected using district-based elections without being required to submit the resolution to the voters for approval.

**CALAFCO Position:** Watch

**Administration**

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

**Status:** 2/25/2016-Referred to Com. on JUD.

**Summary:**

As introduced, this bill would require LAFcos, when responding to a Public Records Request for which a determination has been made to deny the request, to include in the written response the title (or other identification) of each record that was requested and not provided, and the specific exemption that applies to that record.

**CALAFCO Position:** Watch

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

**Subject:** LAFCo Administration

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

**Summary:**

As introduced, 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.

**CALAFCO Position:** Watch

**SB 971 SB 972 SB 973 (Committee on Governance and Finance) Validations.**

**Status:** 3/16/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

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

**CALAFCO Position:** Support

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

**Status:** 2/18/2016-Referred to Com. on GOV. & F.

**Summary:**

The Planning and Zoning Law requires that the safety element be reviewed and updated, in the case of

flooding and fire hazards, upon the next revision of the housing element after specified dates or, in the case of climate adaptation and resilience strategies, upon either the next revision of a local hazard mitigation plan after a specified date or on or before January 1, 2022, as applicable. This bill would instead require a planning agency to review and revise the safety element to identify new information, as described above, only after to address flooding and fires. This bill is the Senate Governance & Finance Committee's annual Omnibus bill.

**CALAFCO Position:** Watch

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

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

**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 require a grand jury to request a subject person or entity to come before the grand jury as described above.

**CALAFCO Position:** Watch

**SB 1436 (Bates R) Local agency meetings: local agency executive compensation: discussion of final action taken.**

**Status:** 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

**Subject:** LAFCo Administration

**Summary:**

As introduced, this bill requires LAFCos, when taking final action on salary for the LAFCO's executive, to be made as a separate discussion agenda item rather than a content calendar item on the agenda.

**CALAFCO Position:** Watch