



Solano Local Agency Formation Commission

675 Texas St. Ste. 6700 • Fairfield, California 94533
(707) 439-3897 • FAX: (707) 438-1788

Staff Report

DATE: February 26, 2018
TO: Local Agency Formation Commission
FROM: Michelle McIntyre
SUBJECT: **Legislative Report as of Feb 16, 2018**

Attached for the Commission's review is the CALAFCO Daily Legislative Report. Two of the 19 measures may be of interest to the Commission.

AB2258 (Caballero) – Sponsored by CALAFCO, this bill will follow up on the recommendation of the 2017 Little Hoover Commission for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. (Language will be coming soon, per CALAFCO)

AB 2600 (Flora) – Regional park and open space districts (attached) – This bill will add that a local governing body may adopt a resolution proposing to form a new district in lieu of having a 5,000 signature petition.

RECOMMENDATION:

Receive and file.

Attachments:

CALAFCO Daily Legislative Report as of 2-16-18
AB 2600 (Flora) as introduced 2-15-18

Commissioners

Nancy Shopay, Chair • Harry Price, Vice-Chair • Pete Sanchez • Jim Spering • John Vasquez

Alternate Commissioners

Len Augustine • Shawn Smith • Skip Thomson

Staff

Rich Seithel, Executive Officer • Michelle McIntyre, Analyst • P. Scott Browne, Legal Counsel

CALAFCO Daily Legislative Report as of Friday, February 16, 2018

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

Current Text: Introduced: 2/6/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Status: 2/7/2018-From printer. May be heard in committee March 9.

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

Summary:

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill would define various terms and require a change in organization to be carried out as set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Position: Watch

Subject: LAFCo Administration, Municipal Services, Water

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

CALAFCO met with the sponsors several times and they indicate a desire to work with LAFCOs on creating a process that works. However, it is our understanding that LAFCo will lack any discretion in the dissolution of any public water agency mandated by the SWRCB and the formation of a new entity as mandated by the SWRCB. CALAFCO will continue to work with the sponsors and author.

[AB 2238](#) (Aguiar-Curry D) Change of organization or reorganization: local agency formation commission review: hazard mitigation plan: safety element.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 2/14/2018-From printer. May be heard in committee March 16.

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 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would additionally require the commission to consider any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone or land determined to be in a state responsibility area, as provided.

Position: Watch

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone (pursuant to Gov. Code Sc. 51178) or land determined to be in a state responsibility area (pursuant to PRC Sec. 4102).

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

[AB 2258](#) (Caballero D) Local government.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 2/14/2018-From printer. May be heard in committee March 16.

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

Summary:

Current law requires a local agency formation commission in each county to encourage the orderly formation and development of local agencies based upon local conditions and circumstances, among other things. Current law requires the county auditor to apportion, as specified, the net operating expenses of the local agency formation commission among the county, cities, and special districts within the commission's jurisdiction. This bill would make a nonsubstantive change to that provision.

Position: Sponsor

Subject: Other

CALAFCO Comments: As introduced this is a spot bill. This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council in preparing a process and actual language will be coming soon.

AB 2320 (Brough R) Local agency formation: spheres of influence: municipal service review.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 2/14/2018-From printer. May be heard in committee March 16.

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 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 enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. This bill would make a nonsubstantive change to this provision.

Position: Watch

CALAFCO Comments: This is a spot bill. CALAFCO is waiting to hear back from the author on the intent.

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

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 2/15/2018-Read first time. To print.

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

Summary:

Would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

Position: Watch

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

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

SB 1215 (Hertzberg D) Drinking water systems and sewer systems: consolidation and extension of

service.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 2/15/2018-Introduced. Read first time. To Com. on RLS. for assignment. To print.

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

Summary:

Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would also authorize the state board to set timeline and performance measures to facilitate completion of extension of service of drinking water. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Disadvantaged Communities, Water

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

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

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 2/14/2018-From printer. May be heard in committee March 16.

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

Summary:

Would, for the 2018–19 fiscal year, instead require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2004–05 fiscal year, if a specified provision did not apply, and the product of the amount as so described and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2004–05 fiscal year to the 2018–19 fiscal year. This bill, for the 2019–20 fiscal year, and for each fiscal year thereafter, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year and the product of the amount as so described and the percentage change from the prior fiscal year in gross taxable assessed valuation within the jurisdiction of the entity.

Position: Watch

Subject: Tax Allocation

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

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

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 2/15/2018-From printer. May be heard in committee March 17.

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

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, and for a qualified city, as defined, incorporating after January 1, 2012, would establish an additional separate vehicle license fee adjustment amount. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Tax Allocation

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

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

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 2/15/2018-From printer. May be heard in committee March 17.

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

Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "small public water system" for these purposes as a system with 200 connections of less.

Position: Watch

Subject: Disadvantaged Communities, Water

3

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

Current Text: Introduced: 1/18/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Status: 2/5/2018-Referred to Com. on L. GOV.

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

Summary:

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

Position: Watch

AB 2019 (Aguiar-Curry D) Health care districts.

Current Text: Introduced: 2/5/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Status: 2/6/2018-From printer. May be heard in committee March 8.

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

Summary:

Current law authorizes local health care districts to exercise specified powers, including purchasing and using property for the benefit of the district and exercising the power of eminent domain to acquire real or personal property necessary to the exercise of the district's powers. Current law authorizes a district to include incorporated or unincorporated territory, or both, or territory in one or more counties, subject to specified limitations. This bill would make technical, nonsubstantive changes to a provision of the Local Health Care District Law.

Position: Watch

CALAFCO Comments: This is a spot bill.

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

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

Introduced: 2/12/2018

Status: 2/13/2018-From printer. May be heard in committee March 15.

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

1st House	2nd House	Conc.			
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Summary:

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

Position: Watch

Subject: Municipal Services

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

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 2/14/2018-From printer. May be heard in committee March 16.

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

Summary:

Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the procedures that are generally applicable to the sale of real property by a city, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

Position: Watch

Subject: Water

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

Current Text: Amended: 1/3/2018 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amended: 1/3/2018

Status: 1/30/2018-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:

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

Position: Watch

Subject: Special Districts Governance

SB 561 (Gaines R) Fallen Leaf Lake Community Services District: elections.

Current Text: Amended: 1/23/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 1/23/2018

Status: 1/30/2018-Read third time. Passed. (Ayes 36. Noes 0.) Ordered to the Assembly. 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:

Under current law, the Fallen Leaf Lake Community Services District is a resident voting district. This bill, notwithstanding existing law, would provide that voters who are residents of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services District.

Position: Watch

Subject: Special Districts Governance

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

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

Introduced: 2/17/2017

Last Amended: 8/21/2017

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

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

Summary:

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

Position: Watch

Subject: Water

SB 778 (Hertzberg D) Water systems: consolidations: administrative and managerial services.

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

Introduced: 2/17/2017

Last Amended: 7/13/2017

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

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

Summary:

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

Position: Watch

Subject: Municipal Services

SB 922 (Nguyen R) Local government: planning.

Current Text: Introduced: 1/23/2018 [html](#) [pdf](#)

Introduced: 1/23/2018

Status: 2/1/2018-Referred to Com. on RLS.

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: This is a spot bill. CALAFCO will watch.

SB 1084 (Berryhill R) Counties: boundaries.

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

Introduced: 2/12/2018

Status: 2/13/2018-From printer. May be acted upon on or after March 15.

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

Summary:

Current law provides that proceedings for the alteration of current county boundaries are not subject to the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would make a nonsubstantive change to this provision.

Position: Watch

CALAFCO Comments: This is a spot bill.

Total Measures: 19

Total Tracking Forms: 19

2/16/2018 2:13:31 PM

ASSEMBLY BILL

No. 2600

Introduced by Assembly Member Flora

February 15, 2018

An act to add Section 5503.5 to the Public Resources Code, relating to parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2600, as introduced, Flora. Regional park and open space districts.

Existing law authorizes proceedings for the formation of a regional park, park and open-space, or open-space district to be initiated pursuant to a petition signed by at least 5,000 electors residing within the proposed district territory and presented to the county board of supervisors, as specified. Existing law also authorizes proceedings for district formation in specified counties to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution.

This bill would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

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 5503.5 is added to the Public Resources
2 Code, to read:

3 5503.5. (a) A proposal to form a new district may also be made
4 by the adoption of a resolution of application by the legislative
5 body of any county or city that contains the territory proposed to
6 be included in the district.

7 (b) The resolution of application shall contain all of the
8 following:

9 (1) The methods by which the district will be financed,
10 including, but not limited to, special taxes and fees.

11 (2) The proposed name for the district and the reasons for
12 forming it.

13 (3) A description of the territory to be included.

14 (c) Before adopting a resolution of application, the legislative
15 body shall hold a public hearing on the resolution. Notice of the
16 hearing shall be published pursuant to Section 6061 of the
17 Government Code in one or more newspapers of general circulation
18 within the county or city. At least 20 days before the hearing, the
19 legislative body shall give mailed notice of its hearing to the
20 executive officer of the local agency formation commission of the
21 principal county. The notice shall generally describe the proposed
22 formation of the district and the territory proposed to be included
23 in the district.

24 (d) At the hearing, the legislative body shall give any person an
25 opportunity to present his or her views on the resolution of
26 application.

27 (e) The clerk of the legislative body shall file a certified copy
28 of the resolution of application with the executive officer of the
29 local agency formation commission of the principal county.

O