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December 12, 2012 (Agenda)

December 12, 2012
 Agenda Item 10

Contra Costa Local Agency Formation Commission (LAFCO)
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Implementation of Assembly Bill 54 - Mutual Water Companies

Dear Commissioners:

This is an informational report which highlights AB 54 and summarizes the LAFCO staff activities relating to the requirements contained in the bill.

DISCUSSION

Highlights of AB 54 - Assembly Bill 54 (Solorio) became effective on January 1, 2012 (attachment 1). This bill contains increased governance and transparency requirements, and requires mutual water companies (MWCs) to provide service area maps to LAFCO and respond to LAFCO requests for information in conjunction with Municipal Service Reviews (MSRs) and sphere of influence (SOI) updates.

MWCs provide a public service and some have difficulty in meeting safe drinking water standards. AB 54 attempts to address these problems by increasing the accountability of MWCs and making the Safe Drinking Water State Revolving Fund more usable by MWCs.

MWCs are private corporations that operate water systems for the shareholders' common benefit. The state law addressing the organization and governance of MWCs is contained in the Corporations Code, and the state law addressing the public health related operations of MWCs is contained in the Health and Safety Code. Drinking water standards are enforced by the County Environmental Health Division and the State Drinking Water Division.

Most provisions of AB 54 relate specifically to MWCs, including the following:

1. The definition of "mutual water company" is clarified to include all corporations that provide water service where the water is provided to shareholders and the shares are appurtenant to the ownership of land. "Mutual" does not need to be in the corporation title for the corporation to be classified as a mutual water company.

2. AB 54 applies to mutuals with 15 or more connections, or regularly serving at least 25 individuals daily at least 60 days out of the year.
3. Each member of a MWC board of directors must complete a two-hour course regarding the duties of board members, including fiduciary duties and avoidance of contractual conflicts of interest, the duties of public water systems to provide clean drinking water that complies with the federal Safe Drinking Water Act, and long-term management of a public water system.
4. All construction by mutuals which are subject to AB 54 must meet the California Waterworks Standards in the State Code of Regulations.
5. Each MWC subject to AB 54 must maintain a financial reserve fund for repairs.
6. MWCs are liable for any fines imposed under AB 54 and may levy an assessment to cover the cost of the fines.
7. AB 54 facilitates state and local funding for clean water projects and levels the playing field between public water agencies and MWCs.

Some provisions of the new law directly relate to LAFCO, including the following:

- Each MWC, except small companies with fewer than 15 customers, must submit their service area maps to LAFCO by December 31, 2012.
- Each MWC must respond to information requests by LAFCO during the preparation of MSRs/SOI updates.
- The new law authorizes LAFCO to annex a MWC's service area to a city or special district, while maintaining the constitutional requirements of just compensation for the taking of any private property.
- When preparing or updating MSRs and SOIs of cities and special districts that provide water service, LAFCO may report on whether MWCs are complying with the Safe Drinking Water Act.

LAFCO Staff Activities - In October, staff obtained from the County Environmental Health Division a list of MWCs (Attachment 2). On November 1st, LAFCO staff sent a letter and brief survey to the MWCs requesting service maps and information regarding service, governance and operations. Information regarding AB 54, the LAFCO survey and where MWCs can obtain the required training is posted on the Contra Costa LAFCO website (Homepage and *What's New*). The information obtained from the survey will be useful in complying with the requirements of AB 54, and also in conjunction with our second round 2013 water/wastewater MSR.

To date, we have received responses from four of the MWCs. Following the December 31, 2012 deadline, LAFCO staff will follow-up with those MWCs who have not responded.

RECOMMENDATION - Receive this status report.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: John Wiggins, Contra Costa County Environmental Health Division

Attachments:

1. AB 54
2. List of Mutual Water Companies in Contra Costa County
3. Letter/Survey from Executive Officer to Mutual Water Companies re: AB 54

Assembly Bill No. 54

CHAPTER 512

An act to amend Section 14300 of, and to add Sections 14300.5, 14301.1, 14301.2, and 14301.3 to, the Corporations Code, to amend Sections 56375 and 56430 of the Government Code, and to add Section 116760.65 to, and to add Article 12 (commencing with Section 116755) to Chapter 4 of Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

[Approved by Governor October 7, 2011. Filed with
Secretary of State October 7, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 54, Solorio. Drinking water.

(1) Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified.

This bill would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company.

The bill would also require each mutual water company that operates a public water system to, by December 31, 2012, submit a map depicting the approximate boundaries of the property that the municipal water company serves to the local agency commission within the county in which the mutual water company operates. The bill would prohibit a mutual water company from expanding its boundaries without approval from the appropriate local agency formation commission. The bill would require a mutual water company that operates a public water system to supply certain information to a local agency formation commission upon request, as specified. This bill would require a mutual water company that operates a public water system to maintain a financial reserve fund to be used for certain types of activities.

The bill would also require each board member of a mutual water company that operates a public water system to, within 6 months of taking office, complete a 2-hour course offered by a qualified trainer, as specified.

(2) Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies.

Existing law establishes the Safe Drinking Water State Revolving Fund, continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria to be met for projects to be eligible for consideration for this funding.

This bill would provide that in considering an application for funding a project, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. This bill would also provide that preliminary project costs or construction costs that are otherwise eligible for funding shall not be ineligible because the costs were incurred by the applicant during certain time periods.

(3) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the powers to review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

This bill would additionally authorize the commission to approve, with or without amendment, wholly, partially, or conditionally, or disapprove the annexation of territory served by a mutual water company that operates a public water system into the jurisdiction of a city, a public utility, or a special district, with the consent of the respective public agency or public utility and mutual water company.

(4) Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, each local agency formation commission is required to develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere of influence. In order to prepare and update spheres of influence, the commission is required to conduct a service review, including the review of growth and population projections for the affected area, present and planned capacity of public facilities and adequacy of public services, financial ability of agencies to provide services, the status of, and opportunities for, shared facilities,

accountability for community service needs, and any other matter related to effective or efficient service delivery, as required by commission policy.

This bill would authorize the commission to include in the service review, a review of whether the agencies under review comply with safe drinking water standards. This bill would provide that a public water system may comply with that review by submitting certain documents.

(5) Existing law provides for the imposition of civil fines in amounts up to \$5,000 or \$25,000 for specified violations of the California Safe Drinking Water Act.

This bill would provide that a mutual water company is liable for any fines, penalties, costs, expenses, or other amounts that may be imposed upon the mutual water company under the California Safe Drinking Water Act. This bill would authorize a mutual water company to levy an assessment to pay those fines. This bill would provide that if the amount of those fines exceeds 5% of the annual budget of a mutual water company, then the mutual water company would be required to levy an assessment to pay those fines.

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Californians rely on a broad diversity of public and private organizations to deliver clean and safe drinking water to their home water taps. Regardless of the form of the organization that operates a public water system, these organizations provide a public service that remains one of the core duties of the people's government.

(b) While the state's goal is to ensure clean and safe drinking water, California's drinking water quality has deteriorated and some public water systems continue to suffer poor water quality that are inconsistent with safe drinking water standards.

(c) The state provides funding to public water systems to improve drinking water quality through the Safe Drinking Water Revolving Fund, but demand far exceeds the available funding. Based on the United States Environmental Protection Agency's Drinking Water Infrastructure Needs Survey and Assessment, which was performed in 2007, the State Department of Public Health estimates that the 20-year drinking water infrastructure need for California is \$39 billion. Funding for such projects, however, for 1997–2008 totaled only \$1.2 billion.

SEC. 2. Section 14300 of the Corporations Code is amended to read:

14300. (a) Any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes may provide, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use shall provide, in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that the shares shall be appurtenant to certain lands when the same are described in the certificate

issued therefor; and when the certificate is so issued and a certified copy of the articles or bylaws recorded in the office of the county recorder in the county where the lands are situated the shares of stock shall become appurtenant to the lands and shall only be transferred therewith, except after sale or forfeiture for delinquent assessments thereon as provided in Section 14303. Notwithstanding this provision in its articles or bylaws, any such corporation may sell water to the state, or any department or agency thereof, or to any school district, or to any public agency, or, to any other mutual water company or, during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of the corporations; and provided further, that any corporation may enter into a contract with a county fire protection district to furnish water to fire hydrants and for fire suppression or fire prevention purposes at a flat rate per hydrant or other connection. In the event lands to which any stock is appurtenant are owned or purchased by the state, or any department or agency thereof, or any school district, or public agency, the stock shall be canceled by the secretary, but shall be reissued to any person later acquiring title to the land from the state department, agency, or school district, or public agency.

(b) A corporation described in subdivision (a) shall be known as a mutual water company.

SEC. 3. Section 14300.5 is added to the Corporations Code, to read:

14300.5. For purposes of this chapter, “public water system” shall have the same meaning as provided in Section 116275 of the Health and Safety Code.

SEC. 4. Section 14301.1 is added to the Corporations Code, to read:

14301.1. (a) No later than December 31, 2012, each mutual water company that operates a public water system shall submit to the local agency formation commission for its county a map depicting the approximate boundaries of the property that the mutual water company serves.

(b) A mutual water company that operates a public water system shall respond to a request from a local agency formation commission, located within a county that the mutual water company operates in, for information in connection with the preparation of municipal service reviews or spheres of influence pursuant to Chapter 4 (commencing with Section 56425) of Part 2 of Division 3 of Title 5 of the Government Code within 45 days of the request. The mutual water company shall provide all reasonably available nonconfidential information relating to the operation of the public water system. The mutual water company shall explain, in writing, why any requested information is not reasonably available. The mutual water company shall not be required to disclose any information pertaining to the names, addresses, or water usage of any specific shareholder. This subdivision shall not be interpreted to require a mutual water company to undertake any study or investigation. A mutual water company may comply with this section by submitting to the local agency formation commission the same information that the mutual water company submitted to the State Department of Public Health.

(c) A mutual water company that operates a public water system shall be subject to the requirements of, and has the powers granted by, subdivision (b) of Section 116755 of the Health and Safety Code.

SEC. 5. Section 14301.2 is added to the Corporations Code, to read:

14301.2. Each board member of a mutual water company that operates a public water system shall comply with the training requirements set out in subdivision (a) of Section 116755 of the Health and Safety Code.

SEC. 6. Section 14301.3 is added to the Corporations Code, to read:

14301.3. (a) All construction on public water systems operated by a mutual water company shall be designed and constructed to comply with the applicable California Waterworks standards, as provided in Chapter 16 of Title 22 of the California Code of Regulations.

(b) A mutual water company that operates a public water system shall maintain a financial reserve fund for repairs and replacements to its water production, transmission, and distribution facilities at a level sufficient for continuous operation of facilities in compliance with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and the California Safe Drinking Water Act (Chapter 4 (commencing with 116270) of Part 12 of Division 104 of the Health and Safety Code).

SEC. 7. Section 56375 of the Government Code is amended to read:

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

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

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

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

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

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

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

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

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

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for

urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

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

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

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

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

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

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

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

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

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred

in circumstances that necessitate a departure from the rezoning in the application to the commission.

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

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

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

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

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

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

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

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

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

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property

tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

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

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

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

SEC. 8. Section 56430 of the Government Code is amended to read:

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

- (1) Growth and population projections for the affected area.
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- (3) Financial ability of agencies to provide services.
- (4) Status of, and opportunities for, shared facilities.
- (5) Accountability for community service needs, including governmental structure and operational efficiencies.
- (6) Any other matter related to effective or efficient service delivery, as required by commission policy.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the Safe Drinking Water Act. A public water system may satisfy any request for information as to compliance with the Safe Drinking Water Act by submission of the consumer confidence or water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.

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

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

SEC. 9. Article 12 (commencing with Section 116755) of Chapter 4 of Part 12 of Division 104 is added to the Health and Safety Code, to read:

Article 12. Board Member Training

116755. (a) Each board member of a mutual water company that operates a public water system, as defined in Section 116275, shall, within six months of taking office, or by December 31, 2012, if that member was serving on the board on December 31, 2011, complete a two-hour course offered by a qualified trainer regarding the duties of board members of mutual water companies, including, but not limited to, the duty of a corporate director to avoid contractual conflicts of interest and fiduciary duties, the duties of public water systems to provide clean drinking water that complies with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and this chapter, and long-term management of a public water system. For the purposes of this subdivision, a trainer may be qualified in any of the following ways:

- (1) Membership in the California State Bar.
- (2) Accreditation by the International Association of Continuing Education and Training (IACET) ANSI/IACET 1-2007.
- (3) Sponsorship by either the Rural Community Assistance Corporation or the California Rural Water Association.

(b) A mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code shall be liable for the payment of any fines, penalties, costs, expenses, and other amounts that may be imposed upon the mutual water company pursuant to this chapter. The mutual water company may levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay these fines, penalties, costs, expenses, and other amounts so imposed. If the amount of outstanding fines, penalties, costs, expenses and other amounts imposed pursuant to this chapter exceed 5 percent of the annual budget of the mutual water company, then the mutual water company shall levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay those fines, penalties, costs, expenses, and other amounts so imposed.

SEC. 10. Section 116760.90 of the Health and Safety Code is amended to read:

116760.90. (a) The department shall not approve an application for funding unless the department determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The department may refuse to fund a study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost-effective.

(3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.

(c) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred by the applicant prior to the department approving the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the department but prior to the department entering into a contract with the applicant pursuant to Section 116761.50.

Location Name	Site Address	Address Location	System Classification	Service Connection No	Population Served	LPA ID	Mailing Address	Mailing City/State/Zip	Ownership
CLAYTON REGENCY WATER SYSTEM	16711 MARSH CREEK RD	CLAYTON	COMMUNITY WATER, GRND WTR W/TRT 100-199 CONNS	119	287	0707603	16711 MARSH CREEK RD	CLAYTON, CA 94517	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
FARRAR PARK WATER SYSTEM	2566 TAYLOR RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR W/TRT 25-99 CONNS.	56	140	0706005	P O BOX 227	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
FLAMINGO MOBILE MANOR SWS	4400 GATEWAY RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR W/TRT 25-99 CONNS.	80	200	0707523	P O BOX 1427	MEDFORD, OR 97501	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
OAKLEY MUTUAL WATER COMPANY	4508 SANDMOUND BLVD	OAKLEY	COMMUNITY WATER, GRND WTR W/TRT 25-99 CONNS.	65	170	0706004	P O BOX 1346	OAKLEY, CA 94561	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
ANGLER'S SUBDIVISION #4	1850 TAYLOR RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 100-199 CONNS.	70	168	0707569	P O BOX 276	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
DELTA MUTUAL WATER COMPANY	5305 SANDMOUND BLVD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 100-199 CONNS.	75	180	0707573	P O BOX 607	OAKLEY, CA 94561	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
FRANK'S MARINA	7050 RIVERVIEW DR	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 100-199 CONNS.	120	290	0707575	P O BOX 517	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
PLEASANTTIMES MUTUAL WATER CO	GATEWAY RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 100-199 CONNS.	190	380	0707576	P O BOX 2109	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
ANGLER'S RANCH #3 - SWS	2118 TAYLOR RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	45	100	0707501	P O BOX 854	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
BELLA VISTA WATER SYSTEM	1570 WILLOW PASS RD	PITTSBURG	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	33	93	0707589	169 VALLEY HILL DR	MORAGA, CA 94556	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
BETHEL ISLAND MUTUAL WATER CO	3100 STONE RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	23	56	0707572	P O BOX 1214	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS

Location Name	Site Address	Address Location	System Classification	Service Connection No	Population Served	LPA ID	Mailing Address	Mailing City/State/Zip	Ownership
COLONIA SANTA MARIA	3700 CONCORD AVE	BRENTWOOD	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	8	50	0707517	P O BOX 681	BRENTWOOD, CA 94513	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
DOUBLETREE RANCH WATER SYSTEM	MORGAN TERRITORY RD	UNKNOWN	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	18	49	0707615	9001 DOUBLETREE LN	LIVERMORE, CA 94550	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
ORWOOD RESORT	4451 ORWOOD RD	BRENTWOOD	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	70	350	0707545	4451 ORWOOD RD	BRENTWOOD, CA 94513	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
RIVERVIEW MOBILE HOMES	1526 WILLOW PASS RD	PITTSBURG	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	72	216	0707553	7223 TROUSDAL E PLACE	STOCKTON, CA 95207-1238	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
RIVERVIEW WATER ASSOCIATION	3753 WILLOW RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	86	230	0707577	P O BOX 645	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
SANDMOUND MUTUAL	3330 STONE RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	65	160	0707556	P O BOX 1006	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
CAMINO MOBILEHOME	14530 BYRON HWY	BYRON	COMMUNITY WATER, GRND WTR, 25-99 CONNS.	75	210	0707598	200 W. CYPRESS ROAD	OAKLEY, CA 94561	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
CASA MEDANOS WATER SYSTEM	2727 PITTSBURG ANTIOCH HWY	PITTSBURG	COMMUNITY WATER, GRND WTR, W/TRT 15-24 CONNS	18	55	0707594	2049 WALNUT BLVD	WALNUT CREEK, CA 94596	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
MC COSKER RANCH SWS	MC COSKER RANCH RD	CANYON	COMMUNITY WATER, GRND WTR, W/TRT 15-24 CONNS	22	90	0707623	5333 TERRA GRANADA DR 2B	WALNUT CREEK, CA 94595	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
MORAGA HEIGHTS MUTUAL WATER	PINEHURST RD	CANYON	COMMUNITY WATER, GRND WTR, W/TRT 15-24 CONNS	22	60	0707585	P O BOX 64	CANYON, CA 94516	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
VALLEY ORCHARD WATER SYSTEM	85 ORCHARD ESTATES DR	WALNUT CREEK	COMMUNITY WATER, GRND WTR, W/TRT 15-24 CONNS	10	26	0707562	85 ORCHARD ESTATES DR	WALNUT CREEK, CA 94598	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS

Location Name	Site Address	Address Location	System Classification	Service Connection No	Population Served	LPA ID	Mailing Address	Mailing City/State/Zip	Ownership
DUTCH SLOUGH WATER WORKS	2368 DUTCH SLOUGH RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	18	49	0707519	P O BOX 1417	BRENTWOOD, CA 94513	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
HERTZ WATER SYSTEM	83 SOLANO AVE	PITTSBURG	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	16	35	0707558	83 SOLANO AVE	PITTSBURG, CA 94565	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
MARINA MOBILE MANOR SWS	3255 WELLS RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	24	75	0707608	3255 WELLS RD	OAKLEY, CA 94561	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
RUSSO'S MOBILE PARK	3995 WILLOW RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	35	110	0707601	P O BOX 487	BETHEL ISLAND, CA 94511	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
SANDY POINT MOBILE HOME PARK	5625 SANDMOUND RD	BETHEL ISLAND	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	28	94	0707597	P.O. BOX 1417	BRENTWOOD, CA 94513	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS
VILLA DE GUADALUPE SWS	1910 WALNUT BLVD	BRENTWOOD	COMMUNITY WATER, GRND WTR. 15-24 CONNS.	7	26	0706007	P O BOX 1040	BRENTWOOD, CA 94513	PRIVATE - INVESTOR, MUTUAL, ASSOCIATION, CO-OPS

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 651 Pine Street, Sixth Floor • Martinez, CA 94553-1229
 e-mail: LTexe@lafco.cccounty.us
 (925) 335-1094 • (925) 646-1228 FAX



Date: November 1, 2012
To: Mutual Water Companies Operating in Contra Costa County
From: Lou Ann Texeira, Executive Officer, Contra Costa LAFCO
Subject: New State Requirements for Mutual Water Companies (AB 54)

Assembly Bill 54 (Attachment 1) became effective on January 1, 2012. The legislation supports the State's goal of ensuring access to safe drinking water for all California residents by imposing new requirements on Local Agency Formation Commissions (LAFCOs) and mutual water companies (MWCs) that own and operate a public water system. The requirements are intended to improve access to information about the location of MWCs and the quality of water they provide.

LAFCOs exist in each county in California, are independent public agencies, and regulate the boundaries of cities and special districts, among other things. AB 54 requires LAFCOs to identify all MWCs and receive maps depicting the approximate boundaries of the properties served by each MWC by December 31, 2012. In addition, LAFCOs are required to reference MWCs in their Municipal Service Reviews.

AB 54 requires each MWC to send a map of their service area to LAFCO, and that each board member of a MWC obtain training, as specified, by December 31, 2012. In addition, the bill requires MWCs to respond to LAFCO's requests for information which may be used in LAFCO Municipal Service Reviews.

In order to fulfill the new State mandate, Contra Costa LAFCO needs help from your mutual water company.

1. Please send us a map of your service boundary, and
2. Please complete and return to LAFCO the attached survey (Attachment 2).

Contra Costa LAFCO looks forward to working cooperatively with the MWCs in Contra Costa County. If you have questions or comments, please contact one of the Contra Costa LAFCO staff members listed below:

Lou Ann Texeira, Executive Officer
 (925) 335-1094 Email: LTexe@lafco.cccounty.us

Kate Sibley, Executive Assistant
 (925) 335-1032 Email: KSibl@lafco.cccounty.us

Attachment 1 - AB 54

Attachment 2 - LAFCO Mutual Water Company Survey

MUTUAL WATER COMPANY SURVEY

This survey is intended to help Contra Costa's mutual water companies and Contra Costa LAFCO fulfill the new State mandates in Assembly Bill 54.

Please answer each question and follow the instructions at the end of the survey for returning the completed form and requested information to our office ***no later than December 31, 2012***. We appreciate your assistance!

1. Date survey completed: _____
2. Name of mutual water company: _____

3. Please provide contact information for yourself or another representative of your mutual water company for follow-up with LAFCO:

Name of contact person: _____
Mailing address: _____
Phone number: _____
Email address: _____
4. If your mutual water company has a website address, please provide it: _____

Public Water Systems Information

5. Does your mutual water company have at least 15 service connections?
Yes No
6. Does your mutual water company serve at least 25 individuals daily at least 60 days out of the year? Yes No

Agency Profile

7. In what year was your mutual water company formed? _____
8. What service(s) does your mutual water company currently provide? *Check all that apply.*
 Residential drinking water
 Water for commercial purposes
 Water for industrial applications
 Water for agricultural purposes
 Other: Please specify _____

9. How many members are on your governing board? _____

10. How are board members selected?

Elected

Appointed

By whom? _____

11. What is the term of office of each board member? _____

12. Is there a limit regarding the number of terms that board members and/or elected officers may serve? _____

13. How often do shareholders of your mutual water company meet? _____

14. Where is the shareholders' meeting held? _____

15. Does your company employ staff or contract for services?

Employ staff

Contract for services

No Staff

16. If your mutual water company employs staff, please indicate the position(s) and if they are currently filled.

17. If your mutual water company contracts for services, please indicate contracted services.

18. If your mutual water company has no staff, explain who handles administrative and operational responsibilities.

19. Please provide location of your mutual water company's office, if any.

Planning

20. What information and data does your mutual water company rely on to make decisions about future services and infrastructure needs? *Check all that apply.*

- Consumer confidence report
 - Water quality report
 - Company budget
 - City or county budget
 - State budget
 - Other: please specify _____
-

21. Which of the following does your mutual water company see as challenge(s) in the next 20 years? *Check all that apply.*

- Population growth
 - Infrastructure
 - State regulations and mandates
 - Local regulations and mandates
 - Financial constraints
 - Other: please specify _____
-

22. Given the challenges you described in the previous answer, please briefly describe how your mutual water company is preparing for the future. _____

23. What should or could public agencies do to make it easier for your mutual water company to address your local service challenges? _____

Population and Service Connections

24. What is your estimate of the current population within your service area/boundary?

25. Please provide the number of service connections within your service area/boundary.

26. Approximately how much does each property owner pay for water service each month?
- Less than \$20
 - \$21 - \$40
 - \$41 - \$60
 - \$61 - \$80
 - \$81 - \$100
 - More than \$100

Infrastructure

27. Approximately how many miles of pipeline are owned and/or maintained by your mutual water company? _____

28. Does your mutual water company own or operate other types of infrastructure (i.e., pumping or lift stations, water purification systems, etc.) in addition to wells?
Yes No
If yes, please list: _____

Shared Services

29. Does your mutual water company currently cooperate with local public water districts or other mutual water companies for shared facilities or services?
Yes No
If yes, please explain. _____

30. Please submit a map of your service area, a copy of your articles of incorporation, and the most recent consumer confidence report to Contra Costa LAFCO.

Email: LTexte@lafco.cccounty.us

Mail: Contra LAFCO
651 Pine Street, Sixth Floor
Martinez, CA 94553

Thank you for participating in the survey and providing the requested information!