



Lou Ann Teixeira  
 Executive Officer

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Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
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Michael R. McGill <i>Special District Member</i>	Igor Skaredoff <i>Special District Member</i>
Don Tatzin <i>City Member</i>	

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Candace Andersen  
*County Member*  
 Sharon Burke  
*Public Member*  
 Tom Butt  
*City Member*  
 Stanley Caldwell  
*Special District Member*

March 9, 2016  
 Agenda Item 12

March 9, 2016

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

**Legislative Report - Update and Positions**

Dear Members of the Commission:

The second year of the 2015-16 legislative session is underway. CALAFCO is sponsoring two bills including its annual omnibus bill, which has not yet been introduced and is in progress, and SB 1266 (see below). CALAFCO is also tracking a number of bills which have direct and indirect impact on LAFCOs (Attachment 1 - CALAFCO Legislative Report). At this time, we draw your attention to the following:

**SB 1266** (Maguire) – *Joint Powers Agreement (JPA)* – This is one of two CALAFCO sponsored bills. This bill will create a direct communication connection with JPAs. CALAFCO has been working for several months with the author and stakeholders, and as a result, has narrowed the scope considerably from its original format. The current bill focuses only on those stand-alone JPAs that were formed to provide municipal services. The amended bill will be available in print later this month. For more information, see attached SB 1266 information sheet and FAQ (Attachments 2 and 3). CALAFCO requests that its members send letters supporting SB 1266 (Attachment 4 – draft letter supporting SB 1266).

**SB 817** (Roth) – *Local government finance: property tax revenue allocations; vehicle license fee adjustments* - This bill is identical to SB 25 (2015) and SB 69 (2014), both of which were vetoed by the Governor despite their being unanimously passed by the Legislature. SB 817 reinstates allocations to recently incorporated cities (using ERAF money) consistent with the allocation formula those communities relied upon when making the decision to incorporate. CALAFCO has taken a support position on this bill and requests that its members send letters supporting this bill (Attachment 5 - draft letter supporting SB 817).

**SB 971, SB 972 and SB 973** - The Senate Governance & Finance Committee every year submits three annual validating acts, which CALFSCO has historically supported. CALAFSCO has taken

support positions on these bills and requests that its members send letters supporting these bills (Attachment 6 – draft letter supporting SB 971, SB 972 and SB 973).

**RECOMMENDATION** - Provide input and direct staff to submit position letters as requested by CALAFCO.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – March 2, 2016

Attachment 2 - CALAFCO's Information Sheet - *SB 1266* (Maguire) – *JPA*s

Attachment 3 - CALAFCO's FAQ - *SB 1266* (Maguire) – *JPA*s

Attachment 4 – Draft Letter of Support - *SB 1266* (Maguire) – *JPA*s

Attachment 5 - Draft Letter of Support – *SB 817* (Roth) – *Local government finance: property tax revenue allocations; vehicle license fee adjustments*

Attachment 6 - Draft Letter of Support – *SB 971, SB 972 and SB 973* (Senate Governance & Finance Committee) – *Validations*

## CALAFCO Daily Legislative Report as of Wednesday, March 02, 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	Chapters
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:** Introduced: 2/16/2016 [pdf](#) [html](#)

**Introduced:** 2/16/2016

**Status:** 2/17/2016-From printer. May be heard in committee March 18.

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 prohibits the local area formation commission from approving or conditionally approving any proposal that includes a disincorporation of a city unless the commission determines, among other things, that the disincorporation is consistent with the intent of the act, the disincorporation will address necessary changes to spheres of influence of affected agencies, and the service responsibilities of the city proposed for disincorporation have been assigned. This bill would make a nonsubstantive change to this provision.

**Position:** Placeholder - monitor

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

**CALAFCO Comments:** This is a spot bill sponsored by the County Auditor's Association. CALAFCO was not contacted prior to the introduction of the bill. According to the Sponsor, LA and Riverside Counties (mostly LA County) have lingering concerns over some of the language adopted in AB 851 (Mayes, 2015). No specific details are available at this time.

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

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.

**Position:** Watch

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

**CALAFCO Comments:** 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.

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

**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:**

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.

**Position:** Watch

**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.

**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:** 2/22/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

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:** 2/19/2016-From printer. May be acted upon on or after March 20.

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

**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.

**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.

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

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

**Introduced:** 2/18/2016

**Status:** 2/19/2016-From printer. May be acted upon on or after March 20.

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

**Summary:**

When a joint powers agreement provides for the creation of an agency or entity, separate from the parties to the agreement and responsible for its administration, current law requires that agency or entity to cause a notice of the agreement or amendment to be prepared and filed, as specified, with the Secretary of State. This bill would require an agency or entity required to file documents with the Controller, as described above, that includes a member that is a local agency and is a joint powers authority or joint powers agency, to also file a copy of the agreement or amendment with the local agency formation commission in each of the counties in each county within which all or any part a local agency member's territory is located within 90 days after the effective date of the agreement or amendment.

**Attachments:**

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

**Position:** Sponsor

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

**CALAFCO Comments:** This is a CALAFCO sponsored bill with a number of amendments pending, as, although submitted to Leg Counsel for inclusion, were not included in the introductory version of the bill. 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.

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

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

**Introduced:** 2/19/2016

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

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

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

**Introduced:** 2/19/2016

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

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

**Summary:**

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.

**Position:** Watch

**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.

This bill adds a number of mandates to LAFCos. CALAFCO was NOT contacted by the author's office prior to the introduction of this bill.

**[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.

**[SB 1360](#) (Bates R) Local government.**

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

**Introduced:** 2/19/2016

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

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conc.
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**Summary:**

Under current law, the legislative body of any local agency, defined to mean a county, city, city and county, or public district, may contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the former, but prohibits the force account limit applicable to the local agency contracting to receive services from being exceeded. Current law excepts from that prohibition agreements made before January 1, 1981, or the current term of any self-renewing or renewable agreement entered into before that date. This bill would make nonsubstantive changes to that provision.

**Position:** Placeholder - monitor

**Subject:** Municipal Services

**CALAFCO Comments:** This bill appears to be a spot bill amending GC Section 54983, relating to the authority of local agencies to enter into agreements to provide municipal services. CALAFCO has no other information regarding this bill at this time.

**3**

**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	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**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:** Introduced: 1/25/2016 [pdf](#) [html](#)

**Introduced:** 1/25/2016

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

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

**Calendar:**

3/15/2016 10 a.m. - State Capitol, Room 4202 ASSEMBLY JUDICIARY, MARK STONE, Chair

**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 that response to be in writing regardless of whether the request was in writing. The bill would require that written response additionally to include a list that contains the title or other identification of each record requested but withheld due to an exemption and the specific exemption that applies to that record.

**Position:** Watch

**Subject:** Public Records Act

**CALAFCO Comments:** 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.

**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, although CALAFCO is still trying to confirm. 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:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Introduced:** 2/18/2016

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

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

**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 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.

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

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

**Introduced:** 2/18/2016

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

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 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.

**Position:** Watch

**CALAFCO Comments:** As introduced, 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 2414 (Garcia, Eduardo D) Desert Healthcare District.**

**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:**

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.

**Position:** Watch

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

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

**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:**

The California Public Records Act defines the term "public record," for purposes of that act, to mean any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. This bill would express the intent of the Legislature to subsequently amend this bill to include provisions that would clarify that the term "public record," for purposes of that act, includes those writings kept on the private

cellular phone or other electronic device of an elected official, official, or employee or a public agency if those records relate to the public's business.

**Position:** Placeholder - monitor

**Subject:** Public Records Act

**CALAFCO Comments:** As introduced, this is a spot bill declaring the intention of the legislature to expand the definition of "public record" to include writing kept on a private cell phone or other electronic device of an elected official, official, or employee of a public agency if they relate to the business of the public agency.

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

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

**Introduced:** 2/8/2016

**Status:** 2/24/2016-Set for hearing March 16.

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

**Calendar:**

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.

**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:** 2/24/2016-Set for hearing March 16.

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

**Calendar:**

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

**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:** 2/24/2016-Set for hearing March 16.

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

**Calendar:**

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

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

**Introduced:** 2/8/2016

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

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

**Summary:**

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.

**Position:** Watch

**CALAFCO Comments:** As introduced, 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

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

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

**Introduced:** 2/18/2016

**Status:** 2/19/2016-From printer. May be acted upon on or after March 20.

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

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

**Introduced:** 2/19/2016

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

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

**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.

**Position:** Watch

**Subject:** Other

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

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

**Introduced:** 2/19/2016

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

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

**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 would require the final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive to be made a separate discussion item and not placed on a consent calendar.

**Position:** Watch

**Subject:** LAFCo Administration, Other

**CALAFCO Comments:** 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.

Total Measures: 29  
Total Tracking Forms: 29

3/2/2016 8:33:39 AM



# SB 1266

**Legislative proposal to enhance the timely documentation and facilitation of shared local public services involving counties, cities, and special districts in all 58 California counties.**

## PROPOSAL TO AMEND JPA ACT

CALAFCO is sponsoring Senate Bill 1266 authored by Senator Mike McGuire (Senate District 2) to amend State law to expand the filing requirements for certain stand-alone and municipal service providing joint-power authorities (JPAs) at the time of their establishment or amendment to include LAFCOs. SB 1266's key purpose is to enhance the documentation and facilitation of shared local public services to produce more accountable and efficient government while concurrently improving the public's awareness of these arrangements. SB 1266 calls for certain local JPAs to file their agreements and amendments with LAFCOs just as they currently do with the Secretary of State and in doing so provide two important and distinct public policy benefits...

- SB 1266 helps LAFCOs meet their long-standing directive from the Legislature to document, assess, and facilitate shared local public service opportunities in all 58 counties.
- SB 1266 advances LAFCOs' service to the general public as a community resource by developing more inclusive repositories on local public services, and as such responds affirmatively to an earlier recommendation made by the Legislative Analyst's Office as well as consistent with recent grand jury reports in Kern and Marin Counties.

## THE PROBLEM...

Under existing State law there is no direct means for LAFCOs to be noticed and informed on the existence and activities of local serving JPAs. This lack of direct notice, notably, is an increasing challenge to LAFCOs in meeting their standing directive to plan and oversee responsive and efficient local government given JPAs' expanding role in delivering municipal services while keeping the public appropriately informed.

## THE SOLUTION...

SB 1266 creates a needed communication connection under State law between certain and local JPAs and LAFCOs with the former providing notice to the latter at the time of establishment or agreement amendment to help reconcile the referenced information gap. This communicative connection would allow LAFCOs to be directly and timely informed on relevant JPA formations while also being better positioned in working with local agencies to promote new and expanded shared local services that produce more accountable and efficient government in California.

## THE SCOPE...

SB 1266 recognizes not all stand-alone JPAs are directly involved in the delivery of local municipal services relative to LAFCOs' interests. The proposal is purposefully limited to those JPAs with a county, city, or special district member. SB 1266 also applies only to local municipal serving JPAs as defined under existing State law, and as such excludes administrative pooling agencies, such as risk-management, group insurance, and debt-financing.





# CALAFCO LEGISLATIVE PROPOSAL

## Senate Bill 1266 / Connecting LAFCOs and JPAs

### Frequently Asked Questions

**What Are LAFCOs?** Local agency formation commissions (LAFCOs) serve as regional growth management arms of the State of California and are responsible for overseeing the establishment, expansion, and organization of cities and special districts and their municipal services in meeting current and future community needs (Government Code Section 56000 et seq.). LAFCOs operate in all 58 counties and exercise regulatory and planning powers to accomplish the State's interest to discourage urban sprawl, protect against the premature conversion of open-space and agricultural lands, and produce efficient and accountable local government. Legislation has also expanded LAFCOs focus to regularly prepare independent studies (Municipal Service Reviews) on the adequacy and performance of local governmental services with an emphasis to identify and facilitate shared service opportunities.

**What Are JPAs?** Joint-power authorities (JPAs) consists of two or more public agencies that either contract to jointly exercise shared powers or contract to form a separate legal entity to provide a particular service or services. Common examples of the latter type include water, wastewater, fire protection, and transit (Government Code Section 6500 et seq.). Separate JPAs are located throughout California and have appointed governing boards with the independent authority to make and enter into contracts, employ agents and employees, acquire, construct, and manage public facilities and improvements, incur debts, liabilities, or obligations, and sue or be sued. The board composition and voting rights therein varies from agency to agency and is spelled out in individual JPA agreements.

**How Many JPAs Exist in California?** That number is unclear. There is no known statewide, regional, or local database that indices JPAs at this time. Upon formation, separate JPAs are required to file their agreement with the Secretary of State (SOS). This is also the case when amendments are made to the agreements. However, the SOS does not publish the compiled database of JPA agreements.

**What is the Problem?** Under existing State law there is no direct means for LAFCOs to be noticed and informed of the existence and activities of stand-alone and separate JPAs. This lack of direct notice creates an information gap in regional service planning (among other factors) by impeding the ability of LAFCOs to meet their standing directive by the Legislature to plan and oversee responsive and efficient local government services given JPAs expanding role in delivering urban supporting public services in all 58 counties. This referenced information gap also serves to limit the general public's awareness of and participation in on JPA activities within their communities, especially the effectiveness in which their services are delivered.

**What is the Proposed Solution?** SB 1266 creates a formal communication connection under State law between certain legally separate and municipal serving JPAs and LAFCOs with the former providing notice to the latter at the time of establishment or amendment. Creating this communication connection would help reconcile the existing information gap between LAFCOs and JPAs. SB 1266 also advances LAFCOs' role as a community resource by developing more inclusive repositories on local public services available to the general public, and as such affirmatively responds to earlier and separate recommendations made by the Legislative Analyst's Office (reference their October 2011 report) as well as grand jury reports in Kern and Marin Counties.

**Are the Reports Filed with the Secretary of State Accessible to the Public and Other Government Agencies?** As public documents they are accessible by request. However, the impediments are the documents are not posted on the SOS's website, therefore you must either call or file a written request for the document and you must know the name of the JPA. In those instances in which the LAFCO is not aware that the JPA exists, there is no way for them to request the information.

**Does the Bill Create New Authority for LAFCOs?** No. SB 1266 is specifically limited to expanding a noticing requirement for certain legally separate JPAs to file their agreements and amendments with the local LAFCO(s) just as they are currently required to do with the SOS. The formation, organization, and related decision-making for JPAs would be unaffected by the proposed legislation.

**Are all JPAs Affected by the Bill?** No. SB 1266 is purposefully limited to those legally separate JPAs with a county, city, or special district member. SB 1266 is also limited to local municipal serving JPAs as defined under existing State law (Government Code Section 56047.7), and as such excludes certain types of administrative pooling functions, such as risk-management, group insurance, and debt-financing.

**Can the Filings be Submitted Electronically to the SOS or to the Affected LAFCO?** Current JPA law does not prescribe how the agreements and amendments are to be filed with the SOS. LAFCO will gladly accept electronic files from the JPA, which is why the method of delivery in the proposed legislation is not prescribed.

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
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Lou Ann Texeira  
*Executive Officer*

## MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
Federal Glover <i>County Member</i>	Rob Schroder <i>City Member</i>
Michael R. McGill <i>Special District Member</i>	Igor Skaredoff <i>Special District Member</i>
Don Tatzin <i>City Member</i>	

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Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

March 9, 2016

Senator Mark McGuire  
 California State Senate  
 State Capitol, Room 5064  
 Sacramento, CA 95814

**RE: SB 1266 (McGuire) – Joint Exercise of Powers: Agreement Filings -- SUPPORT**

Dear Senator McGuire:

The Contra Costa Local Agency Formation Commission (LAFCo) is pleased to support Senate Bill 1266. This bill would require certain stand-alone, municipal service providing joint-power authorities (JPAs) to provide a copy of their agreement to the LAFCo at the time of its establishment or amendment.

Under existing law, there is no means for LAFCos to be informed of the existence and activities of local municipal service providing JPAs, which creates an increasing challenge for LAFCos in meeting their directive to plan and oversee the responsive, efficient and effective delivery local government services. This is especially true given the expanding role of JPAs in delivering municipal services. SB 1266 closes this gap.

This direct communication connection between the JPA and LAFCo allows the LAFCo to be a stronger public resource and inclusive information repository on local public services. Further, it allows the LAFCo the information needed to ensure more comprehensive reporting to the public on the effective and efficient delivery of municipal services.

SB 1266 is not intended to create a direct authority of LAFCo over JPAs; the formation, organization, and related decision-making for JPAs are unaffected by this legislation. We understand that as the sponsor of SB 1266, the California Association of Local Agency Formation Commissions (CALAFCO) has met and will continue to meet with stakeholders in an effort to receive feedback and work through any remaining points of concern and pending amendments.

Because SB 1266 provides the critical direct communication link between the LAFCo and municipal service providing JPAs, the Contra Costa LAFCo supports this bill. We thank you for authoring this important legislation.

Sincerely,

Mary N. Piepho, Chair  
Contra Costa LAFCO

cc: Members, Senate Governance & Finance Committee  
Brian Weinberger, Consultant, Senate Governance & Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus

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March 9, 2016

Senator Richard Roth  
California State Senate  
State Capital Room 4034  
Sacramento, CA 95814

**Subject: Support of SB 817 as Amended**

Dear Senator Roth:

The Local Agency Formation Commission (LAFCo) of Contra Costa is pleased to support your bill SB 817, as amended February 22, 2016. The bill reinstates allocations to recently incorporated cities consistent with the allocation formula those communities relied upon when making the decision to incorporate the affected territory.

It is unfortunate that SB 25 (2015) and SB 69 (2014), both of which were unanimously passed by the Legislature, were ultimately vetoed by the Governor.

The Contra Costa LAFCo and the California Association of Local Agency Formation Commissions (CALAFCO) Board believe the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities that chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. SB 89 also created severe penalties for those communities which had recently voted to incorporate themselves. While SB 817 does not eliminate these disincentives and penalties for future incorporations, it makes whole the cities incorporated since 2004, and avoids the likely disincorporation or bankruptcies of these cities.

Reinstating revenues for incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl.

Because SB 817 reinstates a critical funding component to cities incorporated between January 1, 2004 and January 1, 2012, Contra Costa LAFCo supports this bill.

Thank you for continuing to carry this important legislation.

Sincerely,

Mary N. Piepho, Chair  
Contra Costa LAFCO

Cc: Members, Senate Governance & Finance Committee  
Brian Weinberger, Consultant, Senate Local Governance and Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus

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Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

March 9, 2016

The Honorable Robert Hertzberg, Chair  
 Senate Governance and Finance Committee  
 State Capitol, Room 4038  
 Sacramento, California 95814

**SUPPORT FOR SB 971, SB 972, and SB 973**

Dear Senator Hertzberg:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support Senate Bill 971, Senate Bill 972 and Senate Bill 973, the annual Validating Acts of 2016.

We appreciate how important these measures are for the operation of local governments. Enactment of the Validating Acts helps all public agencies because they protect investors from minor errors that might otherwise threaten our bonds, boundary changes, and other official acts. For LAFCOs, these acts validate the boundaries of local agencies, which the commissions are responsible to administrate. As in past years, the passage of the Validating Acts of 2016 will ensure that our bonds receive the highest possible ratings, resulting in the lowest possible borrowing costs for our constituents.

We also appreciate the fact that all of the members of the Senate Governance and Finance Committee joined you in authoring these three important bills.

Sincerely,

Mary N. Piepho, Chair  
 Contra Costa LAFCO

cc: Members, Senate Governance and Finance Committee  
 Brian Weinberger, Senate Governance and Finance Committee Consultant  
 Ryan Eisberg, Consultant, Senate Republican Caucus