



Lou Ann Texeira
 Executive Officer

MEMBERS

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|---|--|
| Candace Andersen <i>County Member</i> | Federal Glover <i>County Member</i> |
| Donald A. Blubaugh <i>Public Member</i> | Michael R. McGill <i>Special District Member</i> |
| Tom Butt <i>City Member</i> | Rob Schroder <i>City Member</i> |
| Igor Skaredoff <i>Special District Member</i> | |

ALTERNATE MEMBERS

- | |
|---|
| Diane Burgis <i>County Member</i> |
| Stanley Caldwell <i>Special District Member</i> |
| Charles R. Lewis, IV <i>Public Member</i> |
| Sean Wright <i>City Member</i> |

November 13, 2019

November 13, 2019
 Agenda Item 8

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

Legislative Update and Position Letter

Dear Members of the Commission:

The first year of the 2019-20 legislative session is now complete. The deadline for the Governor to sign or veto bills was October 13th.

Here is a summary of the “Priority 1” LAFCo related bills. For a complete summary of all LAFCo related bills see Attachment 1.

- **AB 1822** (Assembly Local Government Committee) – **Annual CALAFCO Omnibus Bill** – This bill contains minor technical changes and corrections to LAFCo law. The Governor signed the bill on 6/24/19.
- **AB 1253** (Rivas) (CALAFCO sponsored bill) – **LAFCos and Grant Funding** - This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a LAFCo grant program to help fund studies and costs associated with initiating and completing district dissolutions. This is a two-year bill.
- **AB 315** (Garcia) - **Local Government: Lobbying Associations: Expenditure of Public Funds**- This bill would restrict moneys paid to or received by an association (e.g., CALAFCO) from a local agency (e.g., LAFCo) to primarily educational activities. This bill could have a significant impact on state associations including. CALAFCO has a “watch” on this bill. This bill will be taken up in 2020.
- **AB 508** (Chu) - **Drinking Water: Consolidation and Extension of Service: Domestic Wells**- This bill allows the State Water Resources Control Board (SWRCB) to order an extension of water service to a disadvantaged community based on specific criteria., and does not require annexation in cases where that would be appropriate. CALAFCO has a “watch” on this bill. AB 508 was signed by the Governor.
- **AB 600** (Chu) – **Local Government: Organization: Disadvantaged Unincorporated Communities (DUCs)** - This bill addresses annexation and the extension of water to DUCs. CALAFCO recently removed its opposition and continues to “watch with concerns.” This bill was signed by the Governor.

- **AB 1389** (Eggman) – *Special Districts: Change of Organization: Mitigation of Revenue Loss*- This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided. CALAFCO has a “watch” on this bill. AB 1389 may be acted upon in 2020.
- **AB 1628** (Rivas) – *Environmental Justice* - This bill would revise the definition of “environmental justice.” CALAFCO has a “watch” on this bill. AB 1628 was signed by the Governor.
- **AB 1751** (Chu) – *Water and Sewer System Corporations: Consolidation of Service* - This bill allows for water (public or small State) or sewer system corporations to file an application for consolidation with the SWRCB. CALAFCO has a “watch” on this bill. AB 1751 may be acted upon in 2020.
- **SB 272** (Morrell) – *Fire Protection District Law of 1987* - This bill amends the Health & Safety Code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. CALAFCO has a “watch” on this bill. SB 272 may be acted upon in 2020.
- **SB 414** (Caballero) – *Small System Water Authority Act of 2019* - This bill is sponsored by Eastern Municipal Water District and the California Municipal Utilities Association. SB 414 gives the SWRCB authority to mandate dissolution of existing drinking water systems (public, mutual, private) and authorize formation of a new public water authority. The focus is on non-contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency. LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first three years. CALAFCO supports this bill. SB 414 may be acted upon in 2020.
- **SB 646** (Morrell) – *Local Agency Utility Services: Extension of Utility Services* - The Mitigation Fee Act (MFA), among other things, requires fees for water and sewer connections, and capacity charges imposed by a local agency not exceed the estimated reasonable cost of providing the service, unless a question regarding the amount of the fee/charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the affected voters. The MFA defines the term “fee” for these purposes. This bill would revise the definition of “fee” to mean a fee for the physical facilities necessary to make a water connection or sewer connection, and that the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the water connection or sewer connection. CALAFCO had a watch on this bill. The Governor signed the bill on 7/10/19.

On September 10th CALAFCO issued an urgent call for legislative action requesting that LAFCOs send letters removing their opposition to **AB 600** and expressing ongoing concerns. In response to CALAFCO’s request, and in accordance with the Commission’s policy (see below), a letter from Contra Costa LAFCO was sent on September 11th (see Attachment 2).

Contra Costa LAFCO’s legislative policy provides our LAFCO with flexibility to respond to urgent legislation that affects LAFCO. Specifically, the policy provides that in *“situations when proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the LAFCO Chair (or Vice Chair in the absence of the Chair), is authorized to provide written or email comments communicating the Commission’s position if the position is consistent with the adopted legislative policies of the Commission. The Chair or Vice Chair would review the letter or email prior to it being submitted. The Executive Officer will forward the email or letter to the Commission as soon as possible. The item will be placed on the next regular LAFCO meeting agenda as either “informational” or for discussion purposes.”*

Informational only - no vote required

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – CALAFCO Legislative Report
Attachment 2 – AB 600 - Letter Removing Opposition

CALAFCO Daily Legislative Report as of Tuesday, November 05, 2019

AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 1/30/2019

Last Amended: 7/5/2019

Status: 9/13/2019-Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

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

Summary:

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

Position: Watch

CALAFCO Comments: As gut and amended, this bill appears to have significant impact to CALAFCO in the uses of member LAFCO and certain Associate Member dues being limited to only direct educational activities. CALAFCO will engage with stakeholders and the author's office as the bill moves forward in the next legislative year.

AB 508 (Chu D) Drinking water: consolidation and extension of service: domestic wells.

Current Text: Chaptered: 9/27/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 8/12/2019

Status: 9/27/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 352, Statutes of 2019.

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

Summary:

The California Safe Drinking Water Act requires the state board, before ordering consolidation or extension of service, to, among other things, obtain written consent from any domestic well owner for consolidation or extension of service. The act makes any domestic well owner within the consolidation or extended service area that does not provide written consent ineligible, until consent is provided, for water-related grant funding, as specified. The act also requires the state board, before ordering consolidation or extension of service, to make a finding that consolidation of the receiving water system and subsumed water system or extension of service to the subsumed water system is appropriate and technically and economically feasible. The act defines "subsumed water system" for these purposes as the public water system, state small water system, or affected residences consolidated into or receiving service from the receiving water system. This bill would modify the provision that authorizes consolidation or extension of service if a disadvantaged community is reliant on a domestic well described above to instead authorize consolidation or extension of service if a disadvantaged community, in whole or in part, is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill allows the SWRCB to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to

initiate the process and requires the SWRCB to develop policies for this process by July 1, 2020. The bill allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate.

AB 600 (Chu D) Local government: organization: disadvantaged unincorporated communities.

Current Text: Chaptered: 10/8/2019 [html](#) [pdf](#)

Introduced: 2/14/2019

Last Amended: 9/4/2019

Status: 10/8/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 612, Statutes of 2019.

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| 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 provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community into the subject city has been filed. This bill would clarify that the prohibition on approving an annexation involving a disadvantaged unincorporated community, as described above, applies to the annexation of territory greater than 10 acres, or smaller as determined by commission policy. The bill would also provide that the existing approval prohibition and the exemptions to the application requirement apply to the annexation of two or more contiguous areas that take place within 5 years of each other and that are individually less than 10 acres but cumulatively more than 10 acres.

Attachments:

- [LAFCo Removal of opposition with concerns template 09 19](#)
- [CALAFCO Removal of opposition but concerns 09 19](#)
- [CALAFCO Oppose letter 05 07 19](#)
- [LAFCo Oppose letter template 05 07 19](#)
- [CALAFCO Oppose Letter REV April 19, 2019](#)
- [LAFCo Oppose letter template REVISED](#)
- [CALAFCO Oppose Letter April 16, 2019](#)
- [LAFCo Oppose letter template](#)

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: UPDATE: As amended September 4, 2019, the bill removes all of CALAFCO's direct policy concerns. The bill now provides clean up and clarification to 8(B) and 8(B)(i) by adding "disadvantaged" to unincorporated community; and prohibits the approval of an annexation of two or more contiguous areas that take place within 5 years of each other and are individually less than 10 acres but cumulatively greater than 10 acres. As a result of the changes in this version of the bill, CALAFCO has removed our opposition. We do, however, remain concerned over the lack of a holistic approach by the Legislature to address service delivery issues to DUCs and the definition of a DUC.

AB 1253 (Rivas, Robert D) Local agency formation commissions: grant program.

Current Text: Introduced: 2/21/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019) (May be acted upon Jan 2020)

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

Summary:

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation

of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

Attachments:

- [LAFCo Support Letter Template](#)
- [CALAFCO Support letter Feb 2016](#)

Position: Sponsor

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the \$1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget. As this is a new Governor we are unsure about his willingness to make General Fund appropriations for items not in the budget.

[AB 1389](#) (Eggman D) Special districts: change of organization: mitigation of revenue loss.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/14/2019) (May be acted upon Jan 2020)

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

Summary:

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

Position: Watch

Subject: CKH General Procedures

CALAFCO Comments: This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided.

[AB 1628](#) (Rivas, Robert D) Environmental justice.

Current Text: Chaptered: 9/27/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 8/26/2019

Status: 9/27/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 360, Statutes of 2019.

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

Summary:

Current law requires the Office of Planning and Research to be the coordinating agency in state government for environmental justice programs. Current law requires the Director of State Planning and Research to, among other things, coordinate its efforts and share information regarding environmental justice programs with various federal agencies. Existing law defines "environmental justice" for these purposes to mean the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. This bill would revise the definition of "environmental justice" to also include the meaningful involvement of people of all races, cultures, incomes, and national origins with respect to those same actions, and would provide that "environmental justice" includes, among other things, the availability of a healthy environment for all people.

Position: Watch

Subject: Environmental Justice

CALAFCO Comments: Amended on August 26 to reflect work between CALAFCO, the author and sponsors of the bill, the definition change in section 56668 now contains a definition specific to the context of the section rather than the same definition contained in 30107.3 of the Public Resources Code (which has been amended via this bill). It expands the scope of the definition of environmental justice (as one of the factors to be considered in the review of a proposal) to include national origins and a reference to the effects of pollution not being disproportionately borne by any particular population or community.

AB 1751 (Chiu D) Water and sewer system corporations: consolidation of service.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 7/5/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

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

Summary:

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

Position: Watch

Subject: Water

CALAFCO Comments: This bill would authorize a water or sewer system corporation to file an application and obtain approval from the PUC through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system. The bill would require the commission to approve or deny the app. Unless the commission designates a different procedure because it determines a consolidation warrants a more comprehensive review, the bill would authorize a water or sewer system corporation to instead file an advice letter and obtain approval from the commission through a resolution authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

AB 1822 (Committee on Local Government) Local Government: omnibus.

Current Text: Chaptered: 6/26/2019 [html](#) [pdf](#)

Introduced: 3/11/2019

Last Amended: 4/8/2019

Status: 6/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 20, Statutes of 2019.

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

Summary:

Current law requires a commission to develop and determine the sphere of influence of each city and each

special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. Current law defines "sphere of influence" to mean a plan for the probable physical boundaries and service area of a local agency. Current law defines the term "service" for purposes of the act to mean a specific governmental activity established within, and as a part of, a general function of the special district, as specified. This bill would revise the definition of the term "service" for these purposes to mean a specific governmental activity established within, and as a part of, a function of the local agency.

Attachments:

[CALAFCO Support letter April 16, 2019](#)

[LAFCo Support letter template](#)

Position: Sponsor

Subject: LAFCo Administration

CALAFCO Comments: This is the annual Omnibus bill.

[SB 272](#) ([Morrell R](#)) Fire Protection District Law of 1987.

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/4/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was GOV. & F. on 2/21/2019) (May be acted upon Jan 2020)

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

Summary:

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

Position: Watch

CALAFCO Comments: As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133. CALAFCO will retain a Watch position.

[SB 414](#) ([Caballero D](#)) Small System Water Authority Act of 2019.

Current Text: Amended: 6/25/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 6/25/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

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

Summary:

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

Position: Support

Subject: Water

CALAFCO Comments: This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

SB 646 (Morrell R) Local agency utility services: extension of utility services.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/7/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 78, Statutes of 2019.

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

Summary:

The Mitigation Fee Act, among other things, requires fees for water or sewer connections, or capacity charges imposed by a local agency to not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. The Mitigation Fee Act defines the term "fee" for these purposes. This bill would revise the definition of "fee" to mean a fee for the physical facilities necessary to make a water connection or sewer connection, and that the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection.

Position: Neutral

Subject: CKH General Procedures

CALAFCO Comments: UPDATE AS OF THE 4/11/19 AMENDMENTS: These amendments address all of our concerns and the bill now only addresses fees.

AB 213 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 1/15/2019 [html](#) [pdf](#)

Introduced: 1/15/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/19/2019)(May be acted upon Jan 2020)

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

Summary:

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/20/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/3/2019)(May be acted upon Jan 2020)

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

Summary:

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Attachments:

[LAFCo Support letter template](#)

[CALAFCO Support March 2019](#)

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

[AB 1304](#) ([Waldron R](#)) **Water supply contract: Native American tribes.**

Current Text: Amended: 5/6/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/6/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

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

Summary:

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on January 1, 2025.

Position: Watch

Subject: Municipal Services, Water

CALAFCO Comments: This bill amends the water code to allow a Native American tribe to sell/deliver water to a water district (as defined in the water code section 20200). The bill sunsets on January 1, 2025.

[SB 379](#) ([Committee on Governance and Finance](#)) **Validations.**

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 74, Statutes of 2019.

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

Summary:

This bill would enact the First Validating Act of 2019, 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 March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

[SB 380](#) ([Committee on Governance and Finance](#)) **Validations.**

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 75, Statutes of 2019.

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

Summary:

This bill would enact the Second Validating Act of 2019, 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 March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

[SB 381](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 76, Statutes of 2019.

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

Summary:

This bill would enact the Third Validating Act of 2019, 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 March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

[AB 134](#) (Bloom D) Safe Drinking Water Restoration.

Current Text: Amended: 5/20/2019 [html](#) [pdf](#)

Introduced: 12/5/2018

Last Amended: 5/20/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

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

Summary:

Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch

Subject: Water

[AB 530](#) (Aguiar-Curry D) The Fairfield-Suisun Sewer District.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/22/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 69, Statutes of 2019.

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

Summary:

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The current act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. Violation of regulations adopted by the board is a misdemeanor. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

Position: Watch

Subject: Special District Powers, Special Districts Governance

CALAFCO Comments: This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).

[AB 948](#) (Kalra D) Coyote Valley Conservation Program.

Current Text: Chaptered: 9/27/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 8/12/2019

Status: 9/27/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 356, Statutes of 2019.

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

Summary:

Current law creates the Santa Clara Valley Open-Space Authority, and prescribes the jurisdiction and functions and duties of the authority. Current law authorizes the authority, among other things, to acquire, hold, and dispose of real and personal property, within the authority's jurisdiction, necessary to the full exercise of its powers. This bill would authorize the authority to establish and administer the Coyote Valley Conservation Program to address resource and recreational goals of the Coyote Valley, as defined. The bill would authorize the authority to collaborate with state, regional, and local partners to help achieve specified goals of the program. The bill would authorize the authority to, among other things, acquire and dispose of interests and options in real property.

Attachments:

[CALAFCO Support Letter 06 27 19](#)

Position: Support

[AB 1053](#) (Dahle R) Fallen Leaf Lake Community Service District.

Current Text: Amended: 3/25/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Last Amended: 3/25/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was GOV. & F. on 5/22/2019)(May be acted upon Jan 2020)

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

Summary:

Would prohibit, on and after January 1, 2020, the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection, including medical response and emergency services, and parks and recreation services or facilities.

Position: Watch

CALAFCO Comments: CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.

[AB 1457](#) (Reyes D) Omnitrans Transit District.

Current Text: Amended: 5/24/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/24/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/25/2019)(May be acted upon Jan 2020)

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

Summary:

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that

the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

Attachments:

[CALAFCO Oppose unless amended letter April 2019](#)

Position: Neutral

CALAFCO Comments: This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments.

SB 654 (Moorlach R) Local government: planning.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 3/14/2019-Referred to Com. on RLS.

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

Summary:

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

Position: Watch

CALAFCO Comments: This is a spot bill. The author indicates he has no plans to use this for LAFCo law.

SB 780 (Committee on Governance and Finance) Local Government Omnibus Act of 2019.

Current Text: Chaptered: 9/20/2019 [html](#) [pdf](#)

Introduced: 2/28/2019

Last Amended: 8/12/2019

Status: 9/20/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 329, Statutes of 2019.

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

Summary:

Current law requires the governing body of a public agency, within 70 days after the commencement of the agency's legal existence, to file with the Secretary of State, on a form prescribed by the secretary, and also with the county clerk of each county in which the public agency maintains an office, a specified statement of facts about the agency. Current law requires this information to be updated within 10 days of a change in it. Current law requires the Secretary of State and each county clerk to establish and maintain an indexed Roster of Public Agencies that contains this information. This bill would instead require the Secretary of State and each county clerk to establish and maintain an indexed Registry of Public Agencies containing the above-described information.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee's annual Omnibus bill.

Total Measures: 24

Total Tracking Forms: 24

11/5/2019 11:02:59 AM



Lou Ann Texeira
Executive Officer

MEMBERS

- Candace Andersen
County Member
- Donald A. Blubaugh
Public Member
- Tom Butt
City Member
- Igor Skaredoff
Special District Member
- Federal Glover
County Member
- Michael R. McGill
Special District Member
- Rob Schroder
City Member

ALTERNATE MEMBERS

- Diane Burgis
County Member
- Stanley Caldwell
Special District Member
- Charles R. Lewis, IV
Public Member
- Sean Wright
City Member

Attachment 2

September 11, 2019

The Honorable Kansen Chu
California State Assembly
State Capital Room 3126
Sacramento, CA 95814

Subject: ***Removal of Opposition - AB 600 (as amended September 4, 2019)***

Dear Assembly Member Chu:

The Contra Costa Local Agency Formation Commission (LAFCo) has been following your bill, ***Assembly Bill 600***. As a result of the amendments in the September 4, 2019 version of the bill, we are removing our opposition.

While we are removing our opposition, we still have concerns related to disadvantaged unincorporated communities (DUCs).

LAFCos are aware of and concerned about the disparity of local public services, especially for residents and properties located within these communities. All Californians deserve adequate and safe drinking water and wastewater facilities. We encourage the Legislature to look at service delivery issues and annexation of these communities with a more holistic approach rather than the piece-meal one bill at a time approach.

Allowing residents to say they want services extended does not ensure the service provider will extend the services. Further, extending services without annexation disenfranchises an already disenfranchised community by creating a taxation without representation situation for them. Without annexation the residents have no say in who represents them on the Board of the service provider (via election), nor does it allow them to have a voice should rate issues appear on the ballot. It creates a situation in which they cannot be a full participant in the governance of their own community.

Additionally, one of the primary statutory purposes of LAFCo is to ensure orderly growth. Extending services on an individual basis or by service category without annexation only serves to undermine the very purpose of jurisdictional boundaries and sphere of influence plans.

We strongly believe that local control is best and that decisions should take local circumstances and conditions into account. This means that there is no “one-size fits all” solution.

We also believe a collective stakeholder dialogue with reasonable and systemic solutions to the problem coupled with adequate funding for infrastructure and maintenance are required to solve this complicated statewide issue of addressing the needs of these communities. We suggest the definition of a DUC be re-examined and updated to reflect the true nature and scope of a disadvantaged community.

Please contact me with any questions you have about the removal of our opposition to AB 600 or our ongoing concerns.

Sincerely,



Tom Butt, Chair
Contra Costa LAFCo

- c: Jimmy MacDonald, Consultant, Assembly Local Government Committee
- William Weber, Consultant, Assembly Republican Caucus
- Anton Favorini-Csorba, Consultant, Senate Governance & Finance Committee
- Ryan Eisberg, Consultant, Senate Republican Caucus
- Pamela Miller, Executive Director, CALAFCO