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Counsel

Michael G. Colantuono

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AGENDA REPORT Consent | Information

October 1, 2018

TO: San Diego Commissioners
FROM: Keene Simonds, Executive Officer
Robert Barry, Chief Policy Analyst
SUBJECT: **Legislative Report**

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive a report from staff on the close of the 2017-2018 legislative session with respect to bills of interest to the Commission. This includes an update on the six bills that received Commission positions during the year and headlined by Assembly Bill 2050 – Small System Water Authority Act of 2018 – and its still-pending provisions to expedite consolidation of non-compliant public or private small drinking water systems into a new public agency. The report is being presented for discussion with the opportunity for the Commission to provide feedback and general direction as needed.

BACKGROUND

[Legislative Resources](#)

San Diego LAFCO draws on its active participation with California Association of LAFCOs or CALAFCO in considering legislative matters affecting the Commission's ability to effectively administer its regulatory and planning responsibilities. The CALAFCO Legislative Committee comprises nearly two dozen members across the state – including San Diego LAFCO's Chair and Chief Policy Analyst – and is tasked with drafting and/or reviewing proposed legislation and related items. San Diego LAFCO relies on the information and analysis generated from the CALAFCO Legislative Committee in making its own position recommendations relative to local needs and interests.

Key Legislative Dates

The Legislature adjourned to final recess for the 2017-2018 legislative session on August 31st. September 30th is the last day for the Governor to sign or veto bills passed by the Legislature and in the Governor's possession on or after September 1st. Any bills enacted on or before October 1st will take effect on January 1, 2019. The Legislature will reconvene on January 2, 2019 for the start of the 2019-2020 legislative session.

DISCUSSION

This item is for San Diego LAFCO to receive an update on the close of the 2017-2018 legislative session with respect to bills of interest to the Commission. This includes bills with approved Commission positions and letters issued to the respective authors. The following discussion is intended to aid the review and summarizes (a) current CALAFCO Legislative Committee activities and (b) specific bills of interest as identified by staff, with Commission adopted positions.

CALAFCO Legislative Committee

CALAFCO's Legislative Committee last met on June 18th, 2018 to discuss tracked legislation and gather feedback on recent amendments. The Committee has conducted subsequent conference calls to discuss the various tracked legislation as it progresses through the legislative process and to discuss potential priorities heading into the 2019-2020 session.

Bills of Interest

AB 2050 (Caballero) | Small System Water Authority Act of 2018

AB 2050 remains pending. It would authorize the State Water Resources Control Board to order formation of a public agency to assume operations of public and/or private water systems that have either less than 3,000 service connections or serve less than 10,000 people and are not in compliance with applicable drinking water standards as of December 31, 2018. The affected public/private small water systems would be dissolved and consolidated to form a new type of public agency: a Small System Water Authority (SSWA). The bill requires consolidation of a minimum of five local non-compliant public/private small water systems in order to create a SSWA with sufficient economies of scale to remedy the violations of drinking water standards. Markedly, following the submittal of a formation application and plan for services to LAFCO, the Commission would be required to approve the SSWA formation with discretion limited to imposing conditions. CALAFCO took a support position after the author accepted several amendments. The bill passed through the Legislature and was presented to the Governor on September 5, 2018.

Staff Discussion on AB 2050

The CALAFCO Legislative Committee formed a subcommittee in early 2018 to address concerns regarding AB 2050's proposed formation of a new type of public agency and to clarify LAFCO's role in the process. CALAFCO worked closely with the author and co-sponsors (the California Municipal Utilities Association and the Eastern Municipal Water District) as the bill moved forward. With respect to local impact, as of January 2018, there are 11 small drinking water systems in San Diego County identified as non-compliant with drinking water standards and potentially subject to the AB 2050 consolidation provisions. The 11 affected local drinking water systems include two public agencies: the Decanso Community Services District (CSD) and the Warner Springs Unified School District; and nine private water corporations, including mutual water companies and RV/Mobile Home Parks. (The non-compliant private systems are located in the unincorporated communities of Alpine, Borrego Springs, Guatay, Pauma Valley, and Ramona.) The Commission approved a support position on May 7th.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Enrolled and presented to the Governor for signature on September 5, 2018

AB 2238 (Aguiar-Curry) | Proposal Review Factors: Hazard Mitigation Plans

AB 2238 remains pending. It would add a new factor as part of the standard LAFCO review of any boundary change and involves assessing a proposal's conformance with any relevant hazard mitigation plan or safety element of a general plan. CALAFCO took a support position. The bill passed the Legislature and was presented to the Governor for signature on September 10, 2018.

Staff Discussion on AB 2238

Following the wildfires throughout the state over the past several years, this bill seeks to add another proposal review factor for LAFCO consideration regarding information contained in a local hazard mitigation plan, a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area. As San Diego County has been historically subject to numerous wildfires, this review factor, if approved, may be of interest in regards to local conditions and safety concerns.

San Diego LAFCO Position: Watch

Bill Status: Enrolled, presented to the Governor for signature on September 10, 2018

AB 2258 (Caballero) | Strategic Growth Council Grant Program

AB 2258 has been vetoed by the Governor. The bill was sponsored by CALAFCO as a follow up on the 2017 Little Hoover Commission recommendation for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. This bill would have required the Strategic Growth Council (SGC), until January 1, 2024, to establish and administer a LAFCO grant program for the payment of costs associated with preparation of special studies, initiation and completion of actions to

dissolve inactive districts, development and implementation of reorganization plans, or incentivizing service providers to assist LAFCO in development and implementation of reorganization plans. The bill also proposed changing the protest threshold for LAFCO initiated actions, solely for the purposes of actions funded through the referenced grants. The bill passed the Legislature and was presented to the Governor for signature on September 10th. The Governor vetoed the bill on September 18th.

Staff Discussion on AB 2258

AB 2258 was a legislative priority for CALAFCO and would have provided grant funding opportunities for local LAFCOs to prepare studies that identify potential service efficiencies and/or determine potential alternatives for improving efficiency and affordability of infrastructure and service delivery. The grant program would have also provided funding for LAFCO-initiated actions based on determinations from such studies. This bill was largely aimed at supporting smaller LAFCOs; many of which operate with minimal funding. The Commission approved a support position for AB 2258 at the May 7th meeting.

San Diego LAFCO: Support, letter sent to Author

Bill Status: Vetoed by Governor, September 18, 2018

AB 3254 (ALGC) | Omnibus Bill

AB 3254 has been signed by the Governor and will become effective on January 1, 2019. This bill represents the annual omnibus bill by the Assembly Local Government Committee that addresses, among other items, technical and non-controversial issues in LAFCO law. Notable items in the bill included a focus on definition clean-ups, including “affected territory” and “inhabited territory.” The Commission approved a support position at the May 7th meeting. The bill was signed by the Governor on July 2, 2018.

Staff Discussion on AB 3254

AB 3254 provides needed clarification involving several key terms – such as affected territory – and will help unify LAFCO interpretations across the state. Appreciation is noted for Los Angeles LAFCO’s Paul Novak for managing this item on behalf of the CALAFCO Legislative Committee.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Signed by Governor on July 2, 2018

SB 1215 (Hertzberg) | Sewer Systems: Consolidation & Extension of Service

SB 1215 remains pending. It proposes to authorize the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private - under certain circumstances and after making specific findings. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems. This bill also proposes to authorize the State Board to set timeline and performance measures to facilitate completion of extension of service of

drinking water. CALAFCO has taken a watch with concern position. The bill passed the Legislature and was presented to the Governor on September 12, 2018.

Staff Discussion on SB 1215

This bill would authorize the State Board to order the extension of the provision of sewer service to a disadvantaged community by a city or county within limited discretion to LAFCOs in denying. The bill would also authorize the State Board to order annexation of a disadvantaged community with a receiving sewer system of a special district. San Diego County contains a number of qualifying disadvantaged communities, and as such could be substantively impacted should the bill become law,

CALAFCO Position: Watch with Concerns

Bill Status: Enrolled, presented to the Governor for signature on September 12, 2018

SB 623 (Monning) | Safe and Affordable Drinking Water Fund

SB 623 did not make it out of session. The bill proposed to establish the Safe and Affordable Drinking Water Fund and fill gaps in funding for disadvantaged communities and low-income residents without access to safe drinking water. The funding mechanisms would have included: 1) agricultural fees in the context of nitrate contamination in groundwater and 2) fees collected by local water agencies on drinking water meters serving residential, business, industrial and governmental customers. CALAFCO took a watch with concern position.

Staff Discussion on SB 623

SB 623 transitioned into a trailer bill and would have imposed a fee (or tax) on water meters to provide a funding source for addressing non-compliant small drinking water systems. The inclusion of the bill as a trailer to the State budget proved concerning to given it avoided the typical review process and avoidance of any committee hearings. Accordingly, the Commission approved an oppose position at the May 7th meeting.

San Diego LAFCO Position: Oppose, letter sent to Author

Bill Status: SB 623 was dropped from the Budget Bill that was signed on June 27, 2018

AB 1944 (Garcia) | San Luis Rey Valley Groundwater Basin

AB 1944 was signed by the Governor on September 5, 2018 and will become effective on January 1, 2019. The bill involves the Sustainable Groundwater Management Act (SGMA) and its provisions to require all groundwater basins designated by the Department of Water Resources as high or medium-priority basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan by January 31, 2020. SGMA also provides a definition for groundwater that does not include water beneath the surface that is considered a subterranean stream flowing through known and definite channels. This bill amends SGMA implementation for the the San Luis Rey Valley Groundwater Basin in San Diego County and creates an upper and lower subbasin, and designates both as medium priorities until the Department of Water Resources reassesses

basin prioritization. The bill also amends SGMA to include the subterranean streams beneath the surface of the ground within the Upper San Luis Rey Valley Groundwater Subbasin as groundwater for the purposes of the Act. Groundwater extracted and used as authorized under an existing appropriative water right is now exempt from a groundwater sustainability plan. CALAFCO took no position.

Staff Discussion on AB 1944

As the Upper San Luis Rey Valley Groundwater Subbasin has been previously designated as a subterranean stream, access to that groundwater is subject to the same permitting requirements as diversions from surface water. AB 1944 aligns updated knowledge of groundwater basins and subterranean streams with the requirements of SGMA. The bill is the result of a local effort by stakeholders to better manage the local groundwater basin going forward and ahead of SGMA. The Commission approved a support position at the May 7th meeting.

San Diego LAFCO Position: Support, letter sent to Author

Bill Status: Signed by Governor on September 5, 2018

ANALYSIS

The second year of the 2017-2018 legislative session is nearing completion with a number of tracked bills having been approved by the Legislature and submitted to the Governor for signature or veto. Most of these tracked bills remain pending and await a decision by the Governor with two exceptions: AB 1944 and AB 2258. AB 1944 was signed by the Governor and proceeds with helpful and Commission-supported amendments to SGMA to ease implementation in the San Luis Rey groundwater basin in San Diego County. AB 2258 and its provisions to establish a grant program to fund LAFCO studies and actions relating to initiating and completing the dissolution of inactive special districts was vetoed by the Governor. The veto represents a significant setback for CALAFCO given the bill was its top priority, and as such it expended considerable resources in working with stakeholders throughout the session. The remaining tracked bills awaiting action by the Governor have indirect effects for LAFCO, including AB 2050 and its provisions to create an expedited consolidation process for non-compliant public or private small drinking water systems into a new public agency overseen by LAFCO. Staff will provide final status updates on the tracked bills to the Commission at the December 3, 2018 meeting.

RECOMMENDATION

This item is presented for information only. It is recommended the Commission review the report with the invitation to discuss and provide general direction to staff as needed.

ALTERNATIVES FOR ACTION

This item is being presented for information only; no action.

PROCEDURES

This item has been placed on the San Diego LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

On behalf of staff,

A handwritten signature in black ink, appearing to read 'R. Barry', with a horizontal line extending from the end of the signature.

Robert Barry, AICP
Chief Policy Analyst

Attachments:

- 1) CALAFCO Daily Legislative Report, September 19, 2018

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

Current Text: Enrollment: 9/5/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 8/6/2018

Status: 9/5/2018-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, 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 4 consecutive quarters, with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, as specified.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

Subject: LAFCo Administration, Municipal Services, Water

CALAFCO Comments: This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water 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.

AB 2238 (Aguilar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.

Current Text: Enrollment: 9/10/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 8/24/2018

Status: 9/10/2018-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, per capita assessed valuation and the proposal's consistency with city or county general and specific plans This bill would require the commission to consider the assessed valuation rather than per capita assessed valuation.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a

proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element.

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

AB 2258 (Caballero D) Local agency formation commissions: grant program.

Current Text: Vetoed: 9/18/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 8/24/2018

Status: 9/18/2018-Vetoed by Governor.

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

Summary:

Would require the Strategic Growth Council, until July 31, 2024, 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.

Attachments:

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

Position: Sponsor

Subject: Other

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. 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).

Amendments taken in Senate Governance & Finance and Natural Resources & Water narrow the scope of the bill to focus on service providers serving disadvantaged communities; 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.

Recent amendments remove the fiscal portion of the bill, which was \$1.5 million over 5 years. The bill is now based on an appropriation in the annual Budget Act. CALAFCO will attempt again next year to get the funding into the budget. The grant program will be in place pending the funding.

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

Current Text: Chaptered: 8/28/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 6/26/2018

Status: 8/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 218, Statutes of 2018.

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

Current law authorizes proceedings for the formation of a regional park, park and open-space, or open-space district to be initiated pursuant to a petition signed by at least 5,000 electors residing within the proposed district territory and presented to the county board of supervisors, as specified. Existing law also authorizes proceedings for district formation in specified counties to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill would, in lieu of the petition described above, authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

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

The intent of this bill is to create an easier way (not to replace but in addition to existing process) to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

[AB 3254](#) (Committee on Local Government) Local government organization: omnibus.

Current Text: Chaptered: 7/9/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Last Amended: 5/17/2018

Status: 7/9/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 86, Statutes of 2018.

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 (the Act) 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. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

Attachments:

[Request Governor Signature June 2018](#)

[CALAFCO Support](#)

Position: Sponsor

CALAFCO Comments: This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO. Amendments are pending to add several items.

[SB 1215](#) (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Enrollment: 9/12/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 8/24/2018

Status: 9/12/2018-Enrolled and presented to the Governor at 5 p.m.

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

Summary:

The Porter-Cologne Water Quality Control Act requires each California regional water quality control board to adopt water quality control plans and to establish water quality objectives in those plans, considering certain factors, to ensure the reasonable protection of beneficial uses and the prevention of nuisance. This bill would, except as provided, authorize the regional board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the regional board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

Attachments:

[CALAFCO Coalition Oppose Floor Alert August 2018](#)

Position: Oppose

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended, this bill authorizes the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems. However, the bill allows for an extension up to 3 miles with no requirements for annexation of the territory; does not provide a definitive source of funding; does not require those will failing systems to connect to the new system; and charges opt-out fees to those who do not.

CALAFCO attempted to work with the author's office on the primary issues of annexation and the allowable extension limit, but were unsuccessful in securing those amendments. As a result, we joined with CASA, CSDA, CSCA, RCRC and the League to oppose.

[SB 1496](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 23, Statutes of 2018.

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 2018, 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 2018](#)

Position: Support

[SB 1497](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 24, Statutes of 2018.

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 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

[SB 1499](#) (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 25, Statutes of 2018.

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 2018, 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 2018](#)

Position: Support

Subject: LAFCo Administration

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

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/2/2018)

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

Summary:

for the 2018–19 fiscal year, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 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 May 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill would have reinstated ERAF funding for inhabited annexations.

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

Current Text: Amended: 4/2/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/2/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 4/25/2018)

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

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill would have reinstated ERAF funding for cities incorporating after 2017.

[AB 2501](#) (Chu D) Drinking water: state administrators: consolidation and extension of service.

Current Text: Enrollment: 9/12/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 8/24/2018

Status: 9/12/2018-Enrolled and presented to the Governor at 12 p.m.

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

Summary:

The California Safe Drinking Water Act requires the State Water Resources Control Board, before ordering consolidation or extension of service, to fulfill certain requirements, including, among other things, to hold a public meeting, and to establish a reasonable deadline, as prescribed, for a potentially receiving water system and a potentially subsumed water system to negotiate consolidation or another means of providing an adequate supply of affordable, safe drinking water. The act requires the state board to conduct a public hearing at the expiration of the reasonable deadline, as specified. This bill would revise and recast these provisions.

Position: Watch With Concerns
Subject: Disadvantaged Communities, Water

[AB 1577](#) (Gipson D) California Safe Drinking Water Act: Sativa-Los Angeles County Water District.

Current Text: Enrollment: 9/11/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 8/24/2018

Status: 9/11/2018-Enrolled and presented to the Governor at 4:30 p.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	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 various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would require the state board to order the Sativa-Los Angeles County Water District to accept administrative and managerial services, including full management and control, from an administrator selected by the state board.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

Subject: Disincorporation/dissolution, Water

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

Current Text: Chaptered: 9/5/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Last Amended: 7/3/2018

Status: 9/5/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 251, Statutes of 2018.

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

Summary:

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

Position: Watch

[AB 2019](#) (Aguilar-Curry D) Health care districts.

Current Text: Chaptered: 9/5/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 8/15/2018

Status: 9/5/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 257, Statutes of 2018.

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

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district. Current law requires the board of directors to establish and maintain an Internet Web site that may include specified information, such as a list of current board members and recipients of grant funding or assistance provided by the district, if any, and to adopt annual policies for providing assistance or grant funding, as specified. This bill would require the board of directors to include specified information, such as the district's policy for providing assistance or grant funding, on the district's Internet Web site.

Position: Watch

CALAFCO Comments: This bill places a number of statutory requirements on healthcare districts (HCDs). One provision that directly affects LAFCo is the HCDs will be required to notify their respective LAFCo when they file for bankruptcy.

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

Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Last Amended: 8/15/2018

Status: 9/6/2018-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Current law authorizes a municipal corporation to sell or dispose of any public utility it owns. Current law requires that a resolution authorizing the sale of a public utility be passed by 2/3 of the members of the legislative body of the municipal corporation and be passed by a 2/3 vote of all voters voting at an election to authorize the sale in the ordinance calling the election. Current law establishes an alternative procedure whereby a municipal corporation can lease, sell, or transfer that portion of a water utility used for furnishing water service outside the boundaries of the municipal corporation. This bill would additionally authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position: Watch

Subject: Municipal Services

[AB 2262](#) ([Wood D](#)) **Coast Life Support District Act: urgent medical care services.**

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 8/31/2018-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. INACTIVE FILE on 8/31/2018)

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

Summary:

Current law, the Coast Life Support District Act, establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services.

Attachments:

[CALAFCO Oppose Unless Amended](#)

[CALAFCO Support as amended](#)

Position: Support

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to add the power of providing urgent care (actually to codify powers they have been performing for a number of years). As amended, the bill cleans up the outdated reference to the Act and adds a provision requiring the district to seek LAFCo approval to activate the new power. As a result of these amendments, CALAFCO has removed our opposition and now supports the bill.

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

Current Text: Enrollment: 9/6/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 8/15/2018

Status: 9/6/2018-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Would authorize the City of El Monte, the City of Montebello, and the City of Willows, until January 1, 2022, to sell its public utility for furnishing water service for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially

subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

Position: Watch
Subject: Water

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

Current Text: Chaptered: 7/18/2018 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amended: 1/3/2018

Status: 7/18/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 133, Statutes of 2018.

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

Summary:

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

Position: Watch
Subject: Special Districts Governance

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

Current Text: Amended: 6/26/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 6/26/2018

Status: 8/17/2018-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. APPR. on 6/28/2018)

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

Summary:

Current law requires the county auditor to either perform an audit, or contract with a certified public accountant or public accountant to perform an audit, of the accounts and records of every special district within the county, as specified. Current law authorizes a special district, by unanimous request of its governing board and unanimous approval by the board of supervisors, to replace the annual audit with an audit over a longer period of time or with a financial review, as specified. This bill would require, by August 1, 2019, the California State Auditor to complete an audit of the Fallen Leaf Lake Community Services District that includes, among other things, an analysis of the district's financial condition and ongoing financial viability.

Position: Watch
Subject: Special Districts Governance

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

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

Introduced: 2/17/2017

Last Amended: 8/21/2017

Status: 8/31/2018-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 9/1/2017)

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

Summary:

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

drinking water supplies.

Position: Watch

Subject: Water

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

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

Introduced: 2/17/2017

Last Amended: 7/13/2017

Status: 8/17/2018-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 9/1/2017)

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

Summary:

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

Position: Watch

Subject: Municipal Services

SB 929 (McGuire D) Special districts: Internet Web sites.

Current Text: Chaptered: 9/15/2018 [html](#) [pdf](#)

Introduced: 1/25/2018

Last Amended: 8/16/2018

Status: 9/14/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 408, Statutes of 2018.

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

Summary:

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Internet Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Attachments:

[CALAFCO Support letter May 2018](#)

Position: Support

SB 1498 (Committee on Governance and Finance) Local Government Omnibus Act of 2018.

Current Text: Chaptered: 9/17/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Last Amended: 8/6/2018

Status: 9/17/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 467, Statutes of 2018.

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

Summary:

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Position: Watch

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

Total Measures: 24

Total Tracking Forms: 24

