



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
Consent | Information

October 6, 2025

TO: Chair Whitburn and Commissioners
FROM: Meghan Traynor, Analyst I
Pat Bouteller, LAFCO Consultant
SUBJECT: Legislative Report

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report on legislation introduced this session relevant to the agency's regulatory and planning responsibilities. The item also provides an update on the Commission's interest and related workplan direction to pursue legislation addressing recent recommendations in a U.C. Berkeley study to expand LAFCOs' ability to proactively extend water and wastewater services to communities in need. The item is being presented for information with the opportunity for the Commission to pull for discussion and provide additional feedback.

BACKGROUND

Legislative Resources and Deadlines

San Diego LAFCO staff actively monitors pending and proposed legislation affecting the Commission's regulatory and planning responsibilities consistent with the workplan. Staff resources are supplemented through coordination with other agency members of the Alliance of California LAFCOs (ACL) on legislative inquiries, proposals, and positions. September 12th marked the last day for each house to pass bills with the California Legislature's adjourning its regular 2025 session on September 13, 2025. The 2026 session is scheduled to commence on January 5, 2026.

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcountry.ca.gov www.sdlafco.org	Paloma Aguirre County of San Diego Joel Anderson County of San Diego Monica M. Steppe, Alt. County of San Diego	Kristi Becker City of Solana Beach Dane White City of Escondido John McCann, Alt. City of Chula Vista	Chair Stephen Whitburn City of San Diego Marni von Wilpert, Alt. City of San Diego	Vice Chair Barry Willis Alpine Fire Protection Jo MacKenzie Vista Irrigation David Drake, Alt. Rincon del Diablo	Brigitte Browning General Public Eileen Delaney, Alt. General Public
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DISCUSSION

San Diego LAFCO will receive a legislative report on active bills of interest to the agency's regulatory and planning responsibilities. The item also provides a related update on the Commission's workplan direction to pursue a future bill to implement recommendations made recently in a U.C. Berkeley report to expand LAFCOs' ability to facilitate water and wastewater services. The item has been placed on consent for information purposes with the opportunity for the Commission to pull for discussion if interested.

Active Bills

This report follows the recent conclusion of the first year of the two-year session. Approximately 2,300 legislative proposals were introduced this session with nine having elevated interest to San Diego LAFCO given their potential direct and indirect impacts on the Commission and/or local agencies under its oversight. Four of these bills – AB 448, AB 351, AB 810 and SB 740 – did not pass out of the first house. Three of these bills – AB 339, SB 777, and SB 489 – passed the legislature and are now pending the Governor's signature, while two others – AB 259 and AB 356 – have become two-year bills. These nine bills of interest are summarized below with their status.

Bills of Interest:

Failed to Pass 1st House

- **AB 448 (Patel, Darshana)**

- **Extend Loan Repayment for Palomar Healthcare District**

- This bill is of local interest and authorizes the State Treasurer's Office to extend and, if necessary, restructure a previously issued bridge loan to Palomar Healthcare District. The Commission took a support position on this bill in June given the extension provides administrative flexibility for Palomar to meet repayment obligations while continuing to provide essential healthcare services – including operating the only emergency room within the Escondido-Valley Center region. No substantive amendments were made to the bill to date after it was re-referred to the Assembly Appropriations Committee.

- **AB 351 (McKinnor, Tina)**

- **Campaign Contributions Involving Agency Officers**

- This bill is of statewide interest and proposes to raise the contribution limit for agency officers involved in permit or license proceedings under the Political Reform Act from \$500 to \$1,500. It also provides for future adjustments tied to inflation, based on changes in the Consumer Price Index. Although not the target of the bill, it is possible certain LAFCO actions – such as out-of-agency service approvals – could apply. The bill failed to pass out of committee in the Assembly on April 30, 2025, with a motion for reconsideration granted.

- **AB 810 (Irwin, Jacqui)**
Government Website and Email Address Domains
Existing law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a .gov top-level domain or a .ca.gov second-level domain no later than January 1, 2029. This bill is of statewide interest and would extend the due date for compliance with this law for special districts, joint powers authorities (including San Diego LAFCO) to January 1, 2031, while maintaining the January 1, 2029, deadline for cities and counties. A hearing of the bill by the Assembly Appropriations Committee was postponed on May 23, 2025.
- **SB 740 (Rubio, Susan)**
Municipal Wastewater Filings with LAFCOs
This bill is of statewide interest and proposes extending the deadline for municipal wastewater agencies to notify LAFCOs of new or amended agreements related to stormwater management services from 30 days to 40 days. The intent is to provide agencies with additional administrative flexibility in meeting reporting requirements. The bill did not pass out of the Senate by the June 6th deadline.

Bills of Interest:

Two-Year Bills

- **AB 259 (Rubio, Blanca)**
Open Meetings and Continued Access to Teleconferences
This bill is of statewide interest and would extend the authorization for legislative bodies of local agencies – including LAFCOs – to use modified teleconferencing procedures during declared emergencies through January 1, 2030. It preserves existing requirements related to public notice and agenda posting while allowing remote participation under defined emergency conditions. San Diego LAFCO adopted a support position on March 2nd. The bill passed the Assembly and a hearing of the bill by Senate Committees on Local Government and Judiciary have been postponed with it now reverting into a two-year bill.
- **AB 356 (Patel, Darshana)**
Healthcare Districts in Northern San Diego County
This bill is of local interest and was initially introduced to establish a state-directed working group to assess healthcare access in northern San Diego County and focusing on the Palomar Healthcare District's service area. In response to the Commission taking a support-if-amended position, the bill has been updated to include LAFCO as one of the listed stakeholders and in doing so providing connectivity to the Commission's oversight of Palomar and current municipal service review activities. LAFCO Consultant Adam Wilson provided supportive testimony for the author in conjunction with her accepting the Commission's amendments. While the bill passed through the Assembly, amendments requested by other stakeholders are currently under review, with the author agreeing to transition to a two-year bill.

Bills of Interest:

Passed Legislature + Awaiting Governor Signature

- **AB 339 (Ortega, Liz)**

Local Public Employee Organizations: Notice Requirements

This bill is of statewide interest and would require public agencies regulated by the Meyers-Milias-Brown Act to provide recognized employee organizations or unions with at least 60 days' written notice before issuing requests for proposals or quotes, or before renewing or extending existing contracts that cover services within the scope of job classifications represented by the recognized employee organization. San Diego LAFCO employees are not presently represented by a recognized employee organization though most agencies under its oversight have labor organizations.

- **SB 777 (Richardson, Laura)**

Expanding LAFCOs Role to Include Endowment-Funded Cemeteries

This bill is of statewide interest and was initially introduced to require LAFCOs to identify local agencies to assume ownership and long-term maintenance responsibilities for abandoned (private) endowment-funded cemeteries, including title and fund transfers coordinated with the Cemetery and Funeral Bureau's procedures. In response to stakeholder feedback, the bill has been amended to remove direct mandates on LAFCOs and instead establish a state-convened working group with LAFCO participation – set to convene by March 1, 2026 – to evaluate the issue and develop policy recommendations.

- **SB 489 (Arreguín, Jesse)**

Permit Streamlining Act

This bill is of statewide interest and would improve the Permit Streamlining Act (PSA) by requiring all public agencies post online the information necessary for a housing development application to be deemed complete. The intent is to reduce costly delays in the permitting process and facilitate approval and construction of housing. LAFCO will be required to comply with these PSA requirements to post application information online for applications in connection with housing development projects. SB 489 would not apply any other provisions of the PSA to LAFCO approvals.

U.C. Berkeley Proposal

In January 2024, a report published by UC Berkeley's Agriculture and National Resources Department (Professor Kristin Dobbin and PhD Candidate Justin McBride) examined the relationship between State regulators and LAFCOs in economizing and improving public water systems through notional consolidations to ensure safe and dependable drinking water, particularly for disadvantaged communities. An update on the implementation of the recommendations of this report was provided to the Commission on March 3, 2025. ¹

¹ Link: [San Diego LAFCO March 3, 2025 Agenda Report on UC Berkeley Legislative Effort](#)

San Diego LAFCO and other stakeholders are working to refine the language of the proposed amendments to LAFCO statute while also preparing to engage with key state legislators in the upcoming legislative cycle to identify an author for the measure. The proposed amendments include the following:

Empowering LAFCOs to Initiate Annexations

- Amending California Government Code 56375(a) and its enumeration of LAFCO initiating powers to include change of organizations or reorganizations necessary to provide timely water or wastewater services consistent with community needs.

Amplifying MSRs' Role in Communicating Community Needs

- Amending California Government Code 56430 and its provisions on preparing municipal service reviews to require LAFCOs to take up these studies at noticed hearings as well as require the affected agencies to formally receive the studies at their own noticed hearing and provide confirmation in doing so back to LAFCOs.

Addressing Service Barriers for Mutual Water Companies and Mobile Home Parks

- Amending California Government Code 56036 and its definition of “special district” for LAFCO purposes to include mutual water companies. Similarly, amend California Corporations Code Section 14300 to expand the definition of mutual water companies to capture mobile homes.

Further updates on this legislative effort in coordination with Alameda, Butte, Napa, Orange County and Sacramento LAFCOs will be provided to the San Diego LAFCO Commission as they become available.

ANALYSIS

In the upcoming legislative session, San Diego LAFCO will focus its legislative monitoring on the two aforementioned two-year bills – AB 259 and AB 356 – in addition to providing updates on the pending signature of AB 339, SB 777, and SB 489. Staff will continue to report on additional legislative items of interest to the Commission as they arise, including the UC Berkeley legislative effort carried out in coordination with five other LAFCOs.

RECOMMENDATION

This item is presented to the Commission for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Commission’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 the Executive Officer,



Meghan Traynor
Analyst I