



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Consent | Information

December 1, 2025

TO: Chair Whitburn and Commissioners

FROM: Meghan Traynor, Analyst I
 Patrick Bouteller, LAFCO Consultant

SUBJECT: Legislative Report

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a legislative update on bills affecting agency operations, both directly and indirectly. The most notable development since the November meeting involves a workplan directive to pursue legislation expanding LAFCO authority to extend water and wastewater services to underserved communities. This directive is based on recommendations from a UC Berkeley study and first presented to the Commission in 2024. Staff has worked with an internal stakeholder group in drafting a legislative proposal that is now under review by outside stakeholders. Notably, the draft also incorporates a separate Commission interest in expanding the municipal service review statute to ensure greater community awareness and involvement. This item is being presented for information with an opportunity for the Commission to pull it for discussion.

BACKGROUND

San Diego LAFCO staff monitors pending legislation affecting LAFCO operations in line with the workplan and coordinates with the Alliance of California LAFCOs (ACL) on legislative analysis and positions. The Legislature adjourned its 2025 session on September 13 following the September 12 bill passage deadline. The 2026 session convenes January 5.

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DISCUSSION

San Diego LAFCO will receive a legislative update on proposals of interest, divided into two categories: introduced legislation and pending legislation. The item is presented for information with an opportunity to pull it for discussion and provide general direction.

Introduced Legislation

The November report provided a full overview of tracked bills introduced during the 2025 session, including all two-year bills and measures that did not advance from their first house. Since there have been no changes to bill statuses, this report focuses only on bills of interest that have been signed into law – AB 339, SB 777, SB 489, and SB 707 – and bills of interest that will continue as two-year items when the Legislature reconvenes in January 2026. These bills are summarized below.

Passed Legislature + Signed into Law

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

- **Local Public Employee Organizations: Notice Requirements**

- This bill is of statewide interest and affects public agencies regulated by the Meyers-Milias-Brown Act. These agencies must provide recognized employee organizations with at least 60 days' written notice before issuing RFPs or quotes, or before renewing or extending contracts covering services within represented job classifications. San Diego LAFCO employees are not presently represented by a recognized employee organization though most agencies under its oversight have labor organizations.

- **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.

- **SB 707 (Durazo, María Elena)**

- **Open Meetings: Meeting and Teleconference Requirements**

- This bill is of statewide interest and makes various changes to the Ralph M. Brown Act (Brown Act), governing public meetings of local agencies. Beginning July 1, 2026, and through January 1, 2030, eligible legislative bodies will be required to allow remote public participation in their meetings. Additionally, before July 1, 2026, these bodies must, at a noticed public meeting, adopt a policy – in open session – addressing procedures for disruptions in telephonic or internet service during such meetings subject to these provisions. San Diego LAFCO currently offers remote public

participation for its Commission and Advisory Committee meetings and will work with legal counsel to ensure full compliance prior to the July 1, 2026 effective date.

- **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.

Transition to 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.

Pending Legislation

A January 2024 UC Berkeley report by Professor Kristin Dobbin and PhD Candidate Justin McBride examined opportunities to strengthen LAFCOs' roles in improving public water systems, particularly for disadvantaged communities. Building on these recommendations, San Diego LAFCO – along with Alameda, Butte, Napa, Orange County, and Sacramento LAFCOs – has been working with Professor Dobbin to develop a legislative proposal. The effort also includes stakeholders such as the Community Water Center.

Since the November legislative update, the working group has finalized draft proposal with three distinct features:

- Expand LAFCOs' initiating powers to include reorganizations (such as annexations) and outside service extensions when needed to address documented public health or safety threats related to water or wastewater service.
- Amend the municipal service review statute to require LAFCOs to perform and document community outreach before taking final actions. The amendment would also require subject agencies to respond to municipal service reviews.
- Amend the definition of mutual water companies to include mobile home parks that operate community water systems and in doing so require these entities to file service information with LAFCOs.

Staff will continue to provide updates as this effort progresses.

ANALYSIS

The status of bills introduced in this session and detailed in the last update in November remains unchanged. Staff will continue to monitor bills that continue as two-year proposals when the Legislature reconvenes in January 2026. Regarding the legislative proposal based on the UC Berkeley report recommendations, the working group has reached consensus on draft language. The proposal also now includes this Commission's interest to modernizing the municipal service review statute to enhance greater community awareness and involvement. Staff will share additional refinements in subsequent updates.

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

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