

**MEMORANDUM**

DATE: October 23, 2019  
TO: LAFCO Commissioners  
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*  
SUBJECT: **Legislative Update**

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**RECOMMENDATION**

This Legislative Update is being provided for the Commission's information only. It is recommended that the Commission receive and file this report.

**DISCUSSION**

The following is a summary of bills of interest from the 2019 legislative session:

**Consolidation and Extension of Service: Domestic Wells**  
AB-508 (Chu) – **Chaptered**

QUICK SUMMARY:

*This bill expands upon the existing authority granted to the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of public and/or private water systems in disadvantaged communities, adding that this may also include residences being served by domestic wells.*

This bill builds on the authority granted to SWRCB to not only consolidate water systems recipient may be a community served by a single well, but also to a community of residences served by individual domestic wells. The bill also adds that for consolidations or extensions containing individual wells that SWRCB will “promptly take all reasonable steps to obtain written consent to the consolidation or extension of service from an owner of each residence served by a domestic well.” Owners that do not provide written consent will not be required to connect to the water system but will also not be eligible for any future water-related grant funding from the State.

IMPLICATIONS FOR STANISLAUS LAFCO:

Mandated extensions of service are used as a last resort by SWRCB when there is an unwilling participant in the process. LAFCO Staff regularly receives requests for extensions of water service, typically on small, residential parcels located in a City sphere of influence. This bill could lead to an increase in similar requests on an area-wide level.

## **Disadvantaged Unincorporated Communities**

AB-600 (Chu) – **Chaptered**

### QUICK SUMMARY:

This bill expands upon existing restrictions related to city annexations that are contiguous to disadvantaged unincorporated communities, making it more difficult to process small annexations that may chip-away at an unincorporated area.

Existing law prohibits a LAFCO from approving an annexation to a city of any territory greater than 10 acres where there exists a disadvantaged unincorporated community contiguous to the proposed annexation, unless an application to annex the entire community is also proposed or written evidence is provided that voters in the area oppose annexation. This bill expands upon this prohibition, adding that a Commission cannot approve two or more proposed annexations that take place within 5 years of each other and that are individually less than 10 acres but cumulatively more than 10 acres. The bill originally contained existing requirements that attempted to mandate large-scale annexations in these areas, but this language was removed from the final version of the bill.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Stanislaus LAFCO submitted a letter in opposition to AB-600 and provided an example of how this added annexation prohibition would unintentionally discouraged infill development and improvements of disadvantaged unincorporated communities. Staff will continue to engage with CALAFCO on this topic.

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## **Review Factors: Environmental Justice**

AB-1628 (Rivas) – **Chaptered**

### QUICK SUMMARY:

*AB-1628 revises the definition of environmental justice, as used in the factors to be considered by the Commission during review of a proposal.*

This bill revises the definition of environmental justice to include fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities. The definition previously did not reference national origin or the effects of pollution.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Staff will include this updated definition in upcoming staff reports that include analysis of factors for the Commission's consideration.

## Omnibus Bill

AB-1822 (Committee on Local Government) – **Chaptered**

### QUICK SUMMARY:

Each year, CALAFCO sponsors an omnibus bill that is intended to make minor clarifications and corrections to language in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

This year's omnibus bill contained several non-controversial changes, including the following:

- Clarifications to the term “service” (previously described as being a function of a special district and now, as a function of a local agency).
- Addition of a definition for “service review” to mean an analysis conducted by the commission documenting and analyzing the services in a particular geographic region or jurisdictional area pursuant to the requirements of Government Code Section 56430.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Clarifications and improvements to the CKH Act are necessary to insure the law is as unambiguous as possible to the Commission and Staff.

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## **Other Bills of Interest: Failed deadlines**

### **Small System Water Authority Act of 2019**

SB-414 (Caballero) – *May be acted upon Jan. 2020*

### QUICK SUMMARY:

*Would authorize creation of small system water authorities that will have powers to absorb, improve, and operate noncompliant public water systems. LAFCO would be required to process the formation of the entity and monitor their compliance with a corrective plan.*

According to CALAFCO, the focus of the bill is on non-contiguous water systems. The bill is similar to AB-2050 (Caballero) from 2018. The State Water Resources Control Board already has the authority to mandate consolidation of certain water systems. This bill would add the authority to mandate dissolution of water systems and formation of new public agencies known as small system water authorities. LAFCO would have little, if any, discretion in the process. The bill would also require that the new authority file annual performance reports with the Commission.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Staff is concerned by the processes included in this proposed legislation and the lack of discretion by LAFCO. Staff is aware that CALAFCO has been working with the author on amendments and clarifications to the process.

## **Grant Program for LAFCOs**

AB-1253 (Rivas) – *May be acted upon Jan. 2020*

### **QUICK SUMMARY:**

*Would establish a grant program for local agency formation commissions that could potentially help fund change of organizations, reorganizations, and special studies.*

Sponsored by CALAFCO, this bill establishes a five-year pilot grant program to provide grants to LAFCOs to address known service and governance concerns in disadvantaged communities. This program provides grants to LAFCOs for conducting special in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2025.

### **IMPLICATIONS FOR STANISLAUS LAFCO:**

If this bill passes, it would provide a unique opportunity for Stanislaus LAFCO and other LAFCOs to apply for grant funding for more in-depth studies, particularly for special districts where no other funding source for such study currently exists. The Commission previously provided a letter of support for this bill.