

**Santa Barbara
Local Agency Formation Commission**

Santa Barbara



Commissioner Jay Freeman

Commissioner Craig Geyer

Commissioner Joan Hartmann

Commissioner James Kyriaco

Commissioner Jorge Magana, Alternate

Commissioner Bob Nelson, Alternate

Commissioner Jenelle Osborne, Alternate

Commissioner Alice Patino

Commissioner Jim Richardson, Alternate

Commissioner Shane Stark

Commissioner Das Williams

Agenda

Thursday, August 1, 2024

1:00 PM

**JOSEPH CENTENO BETTERAVIA GOVERNMENT
ADMINISTRATION BUILDING BOARD HEARING ROOM
511 EAST LAKESIDE PARKWAY
SANTA MARIA**

Meetings, Agendas, Supplemental Materials and Minutes of the Local Agency Formation Commission are available on the internet: www.sblafco.org

IMPORTANT NOTICE REGARDING PUBLIC PARTICIPATION

Remote Participation: Members of the public and Commissioners may participate in person or by using the remote video testimony system located at the County Administration Building, Board Hearing Room, Fourth Floor, 105 East Anapamu Street, in Santa Barbara or at the Betteravia Government Center, Board of Supervisors' Conference Room, 511 East Lakeside Parkway, Santa Maria. Persons may address the Commission on any matter listed on the agenda by completing and delivering to the Clerk a speaker slip before the item is considered. Matters not listed on the agenda may be addressed during the public comment period at the conclusion of the administrative agenda.

Remote participation by members of the Commission may be allowed under AB 2449, Government Code section 56953 (f) through (k), when applicable.

The following alternative methods of participation are available to the public:

1. You may observe the live stream of LAFCO meetings in the following ways:

- Televised on local cable channel 20;
- Online at: <http://www.countyofsb.org/ceo/csbtv/livestream.sbc>; and
- YouTube at: <https://www.youtube.com/user/CSBTV20>

2. If you wish to make a general public comment or to comment on a specific agenda item, the following methods are available:

- **Distribution to the Commission** - Submit your comment via email prior to 5 p.m. on the day prior to the Commission meeting. Please submit your comment to the Commission Analyst/Clerk at: natasha@sblafco.org. Your comment will be placed into the record and distributed appropriately.

- **Read into the record at the meeting** - Submit your comment via email prior to 5 p.m. on the day prior to the Commission meeting, limited to 250 words or less, to the Commission Analyst/Clerk at: natasha@sblafco.org. Please state in your email that you would like this "read into the record." Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments timely received on an agenda item will be placed into the record and distributed accordingly.

- **Zoom** - Individuals wishing to participate and provide public comment during the Commission meeting may join by webinar or telephone, as follows:

Webinar:

<https://zoom.us/j/97414173754?pwd=NPWbsWwieYpyRYJbngVxwUM0kCOPL5.1>

Telephone: Dial-in: +1(669)900-6833

Meeting ID: 974 1417 3754

Password: 0801

Members of the public wishing to be called on for public comment should click on the "Raise Hand" button on Zoom or *9 on your touchtone phone when the item they wish to speak on has begun. When the chair calls for public comment, the clerk will announce you and will unmute your microphone at the appropriate time.

1:00 P.M. Call to Order and Roll Call**Pledge of Allegiance****Approval of Minutes of the May 2, 2024 Regular Meeting****Public Comment Period**

Persons desiring to address the Commission must complete and deliver to the Commission Clerk the form which is available at the Hearing Room entrance prior to the commencement of this comment period. This is an opportunity for members of the public to speak on items under the subject matter of the Commission that are not on the agenda.

Consent Calendar

All matters listed hereunder constitute a Consent Agenda and will be acted upon by a single roll call vote of the Commission. Matters listed on the Consent Calendar will be read only on the request of a member of the Commission or the public, in which event, at the discretion of the Chair or a majority vote of the Commission, the matter shall be removed from the Consent Calendar and considered as a separate item. Members of the public may speak on any item listed on the Consent Calendar.

- 1) Receive and file a report on Disbursements for April through July, 2024.
- 2) Receive and file 2023-2024 Year-End Report.
- 3) Amend the 2024 Commission Regular Meeting Calendar – Move the Regular Scheduled Meeting for October 3, 2024 to October 10, 2024 in Santa Maria.

Business Items

- 1) Approval of a Professional Service Agreement with Davis Farr, LLP for Auditing services and Annual Comprehensive Financial Report for the fiscal year ending June 30, 2024 through 2029, for total amount to be paid for services rendered by Consultant under the Agreement not to exceed the sum of \$11,875 (FY2024), \$12,465 (FY 2025), \$13,090 (FY 2026), \$13,740 (FY 2027), \$13,740 (FY 2028), and \$13,740 (FY 2029).
- 2) Consider making nominations to the 2024-2025 CALAFCO Board of Directors and Select voting delegates for the 2024 CALAFCO Elections.
- 3) Consider making nominations for the 2024 CALAFCO Achievement Awards and provide direction to staff.

Information Items

- 1) Receive and file a status report from the Los Olivos CSD regarding the wastewater treatment project.
- 2) Receive and file a report on the 2024 CALAFCO Annual Conference in Fish Camp, October 16-18, 2024 and provide direction to staff as necessary.
- 3) Receive and file a report on the CALAFCO Legislative Committee meetings held on May 10, 2024 and June 14, 2024.

Commissioner and Staff Announcements

- 1) Commissioner announcements and requests for future agenda items.
- 2) Executive Officer comments.

Adjourn to**Regular Meeting on September 5, 2024.**

County Administration Building
Board of Supervisors Hearing Room
105 East Anapamu Street, Fourth Floor
Santa Barbara

Materials Submitted After Distribution of Packet - Materials related to an item on this agenda submitted after distribution of the agenda packet will be available on the Commission website at: <http://www.sblafco.org/>, subject to the ability to post the documents prior to the meeting.

Notice of Disability Accommodations - Persons with a disability who require any disability-related modification or accommodation, in order to participate in the meeting are asked to contact the LAFCO office at least three (3) days prior to the meeting by telephone at 805-568-2240 or by email at lafco@sblafco.org.

MINUTES

**Santa Barbara
Local Agency Formation Commission**

Santa Barbara



Commissioner Jay Freeman

Commissioner Craig Geyer

Commissioner Joan Hartmann

Commissioner James Kyriaco

Commissioner Jorge Magana, Alternate

Commissioner Bob Nelson, Alternate

Commissioner Jenelle Osborne, Alternate

Commissioner Alice Patino

Commissioner Jim Richardson, Alternate

Commissioner Shane Stark

Commissioner Das Williams

Minutes

Thursday, May 2, 2024

1:00 PM

**COUNTY ADMINISTRATION BUILDING BOARD OF
SUPERVISORS HEARING ROOM, FOURTH FLOOR
105 EAST ANAPAMU STREET, SANTA BARBARA**

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1:00 P.M. Convened to Regular Session**Roll Call**

Present: 11 – Commissioner Freeman, Commissioner Geyer, Commissioner Hartmann, Commissioner Kyriaco, Commissioner Magana, Commissioner Nelson, Commissioner Osborne, Commissioner Patino, Commissioner Richardson, Commissioner Stark, Commissioner Williams

*Commissioner Williams requested to attend remotely per AB 2449

Pledge of Allegiance**Approval of Minutes of the April 4, 2024 Regular Meeting**

A motion was made by Commissioner Hartmann seconded by Commissioner Kyriaco to approve the minutes of the April 4, 2024 Regular Meeting.

The motion carried by the following vote:

Ayes: 7 – Commissioner Geyer, Commissioner Hartmann, Commissioner Kyriaco, Commissioner Patino, Commissioner Stark, Commissioner Williams, and Commissioner Freeman

Public Comment Period

No requests to speak.

Consent Calendar

1) Receive and file a report on Disbursements for March and April, 2024.

A motion was made by Commissioner Hartmann, seconded by Commissioner Stark to approve the Consent Calendar.

The motion carried by the following vote:

Ayes: 7 – Commissioner Geyer, Commissioner Hartmann, Commissioner Kyriaco, Commissioner Patino, Commissioner Stark, Commissioner Williams, and Commissioner Freeman

Business Items

- 1) Consider recommendations regarding the Final Budget for Fiscal Year (FY) 2024- 2025, and consider adoption of a Resolution that takes the following actions:
 - a. Review the Final Budget for FY 2024-2025, accept all public testimony and approve the Budget with any final changes and adjustments made by the Commission;
 - b. Pursuant to Government Code Section 56381(a), find that the Final Budget is adequate for the Commission to fulfill the purpose and programs of Chapter 3 (“Powers”) of Part 2 of the Cortese Knox Hertzberg Act;
 - c. Direct staff to distribute the Final Budget to the County, Cities, and Special Districts as required by Government Code Section 56381; and
 - d. Notify the County Auditor to proceed pursuant to Government Code Section 56381(b) with apportionment of LAFCO costs among the County, Cities, and Special Districts.

A motion was made by Commissioner Stark seconded by Commissioner Hartmann that this item be acted on as follows:

a) through d) Approved

The motion carried by the following vote:

Ayes: 7 – Commissioner Geyer, Commissioner Hartmann, Commissioner Kyriaco, Commissioner Patino, Commissioner Stark, Commissioner Williams and Commissioner Freeman

- 2) Consider Support for Assembly Bill 3277 – Ad Valorum Bill.

A motion was made by Commissioner Hartmann, seconded by Commissioner Stark to support Assembly Bill 3277-Ad Valorum Bill.

The motion carried by the following vote:

Ayes: 5 – Commissioner Hartmann, Commissioner Kyriaco, Commissioner Patino, Commissioner Stark, and Commissioner Williams

Noes: 2 – Commissioner Geyer and Commissioner Freeman

Information Items

- 1) Receive and file a status report on Municipal Service Review Program.

No action taken.

- 2) Receive and file a status report on Memorandum of Agreement Program.

No action taken.

- 3) Receive and file a status report on Sustainable Agricultural Lands Conservation Grant Partnership Program.

No action taken.

- 4) Receive and file report on File No 24-01 for 801 Poinsettia Way annexation to the Goleta Sanitary District.

No action taken.

Commissioner and Staff Announcements

- 1) Commissioner announcements and requests for future agenda items.

No action taken.

- 2) Executive Officer comments.

No action taken.

Adjourned at 2:21 P.M. to

Regular Meeting on June 6, 2024.

Joseph Centeno Betteravia Government Administration Building

Board Hearing Room

511 East Lakeside Parkway

Santa Maria

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CONSENT CALENDAR

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Disbursements for April through July 2024

Dear Members of the Commission:

RECOMMENDATION:

It is recommended that the Commission receive and file the disbursements for full month of April through portion of July 2024.

DISCUSSION:

Disbursements as of July 15, 2024 are shown in the attached printout generated by the County's Financial Information System (FIN). Since this agenda item was prepared before the end of July, disbursements for the full month of July will be included with the next meeting agenda packet.

Attachments:

Attachment A: April through July 2024 Disbursements

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

Expenditure Transactions (Real-Time)

From 4/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
AUT - TELE 03	4/1/2024	815	7897	001FIXED TELEPHONE CHARGES FOR 3/2024	38.00
CLM - 0778080	4/1/2024	815	6610	LAFCO EO TERM-LIFE & DISIBILITY MAR 2024	247.10
CLM - 0778080	4/1/2024	815	6600	LAFCO SDMRA Delta Dental Credit 2024	4.54
CLM - 0778085	4/1/2024	815	7451	LAFCO Office mailing	36.57
CLM - 0778085	4/1/2024	815	7732	CALAFCO Workshop 2024	1,675.00
EFC - 0038842	4/1/2024	815	6210	LAFCO Comm Payroll Taxes & Dir Dep for - 4/11/24	1,600.00
EFC - 0038842	4/1/2024	815	6100	LAFCO Staff Payroll Dir Dep for - 4/11/24	22,003.95
EFC - 0038842	4/1/2024	815	7326	LAFCO EO Auto Allowance for - 4/11/24	583.33
EFC - 0038842	4/1/2024	815	7811	LAFCO EO Phone/Cash Allowance for - 4/11/24	203.00
EFC - 0038842	4/1/2024	815	6700	LAFCO FED FUTA FOR - 4/11/24	9.60
EFC - 0038842	4/1/2024	815	6500	LAFCO FED SOCSEC FOR - 4/11/24	1,642.43
EFC - 0038842	4/1/2024	815	6550	LAFCO FED MEDICARE FOR - 4/11/24	384.11
EFC - 0038842	4/1/2024	815	6700	LAFCO CA SUI/SDI FOR - 4/11/24	273.80
TRC - 0062152	4/1/2024	815	7732	PRATER Mileage Reimbursement-MAR 2024	163.48
JE - 0263220	4/2/2024	815	7508	CoCos Legal Services for LAFCO Q3 2024	1,514.22
CLM - 0779261	4/5/2024	815	6600	LAFCO SDRMA ANCILLARY COVERAGE PAYMENT 4/22/24	194.26
TRC - 0062293	4/8/2024	815	7732	Kyriaco Mileage Reimb- April 4, 2024 Meeting	89.78
TRC - 0062294	4/8/2024	815	7732	Freeman Mileage Reim- April 4, 2024 Meeting	87.77
TRC - 0062295	4/8/2024	815	7732	Geyer Mileage Reimbursement- April 4, 2024 Meeting	85.76
TRC - 0062296	4/8/2024	815	7732	Osborne Mileage Reim - April 4, 2024 Mtg	34.04
TRC - 0062297	4/8/2024	815	7732	Patino Mileage Reim- April 4, 2024 Meeting	4.36
TRC - 0062298	4/8/2024	815	7732	Richardson Mileage Reim- April 4, 2024 Meeting	43.01
TRC - 0062299	4/8/2024	815	7732	Stark Mileage Reim- April 4, 2024 Meeting	97.82
EFC - 0038843	4/11/2024	815	7507	LAFCO ADP Fees 4/11/2024 Pay Date	165.45
AUT - U041524	4/15/2024	815	7801	F01005 MAR24 Elect VA_700067236909-M	56.20
CLM - 0780585	4/16/2024	815	6600	LAFCO HEALTH PREMIUM MAY 2024	2,898.02
CLM - 0780904	4/17/2024	815	7324	2022 Outside Independent Audit - Apr 2024	4,029.90
AUT - U041824	4/18/2024	815	7802	F01005 MAR24 NaGas VA_1520146000-FB	14.85

Expenditure Transactions (Real-Time)

From 4/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
AUT - G041924	4/19/2024	815	7803	Chem Aqua Billing March 2024	2.44
AUT - U042924	4/29/2024	815	7804	F01005 FEB24 Refus VA_012762-756076-AG	12.64
AUT - U042924	4/29/2024	815	7803	F01005 FEB24 Sewer VA_012762-756076-B	1.58
AUT - U042924	4/29/2024	815	7803	F01005 FEB24 Water VA_012762-756076-D	2.17
AUT - U042924	4/29/2024	815	7803	F01005 FEB24 Water VA_012762-756076-C	1.12
JE - 0264517	4/30/2024	815	6100	LAFCO Retire EE Contrib. PP5-2024-LAFCO	2,261.72
JE - 0264517	4/30/2024	815	6400	LAFCO Retirement LAFCO Contrib. PP5-2024	2,261.72
CLM - 0782351	5/1/2024	815	6610	LAFCO EO TERM-LIFE & DISIBILITY APR 2024	247.10
CLM - 0782359	5/1/2024	815	7451	LAFCO Office Stamps	7.77
CLM - 0782359	5/1/2024	815	7732	CALAFCO Workshop 2024	2,065.84
CLM - 0782359	5/1/2024	815	7530	Notice FY 24-25 Budget	668.73
TRC - 0062567	5/1/2024	815	7732	PRATER Mileage Reimbursement-APR 2024	67.67
EFC - 0039158	5/2/2024	815	6210	LAFCO Comm Payroll Taxes & Dir Dep for - 5/10/24	1,615.30
EFC - 0039158	5/2/2024	815	6100	LAFCO Staff Payroll Dir Dep for - 5/10/24	22,188.64
EFC - 0039158	5/2/2024	815	7326	LAFCO EO Auto Allowance for - 5/10/24	583.33
EFC - 0039158	5/2/2024	815	7811	LAFCO EO Phone/Cash Allowance for - 5/10/24	203.00
EFC - 0039158	5/2/2024	815	6700	LAFCO FED FUTA FOR - 5/10/24	10.80
EFC - 0039158	5/2/2024	815	6500	LAFCO FED SOCSEC FOR - 5/10/24	1,654.83
EFC - 0039158	5/2/2024	815	6550	LAFCO FED MEDICARE FOR - 5/10/24	387.02
EFC - 0039158	5/2/2024	815	6700	LAFCO CA SUI/SDI FOR - 5/10/24	273.80
CLM - 0783460	5/6/2024	815	6600	LAFCO SDRMA ANCILLARY COVERAGE PAYMENT 5/22/24	194.26
EFC - 0039157	5/6/2024	815	7507	LAFCO ADP Fees 5/10/2024 Pay Date	166.81
AUT - TELE 04	5/8/2024	815	7897	001FIXED TELEPHONE CHARGES FOR 4/2024	38.00
AUT - U050924	5/9/2024	815	7803	F01005 MAR24 Water VA_012762-756076-C	1.04
AUT - U050924	5/9/2024	815	7801	F01005 APR24 Elect VA_700067236909-M	54.69
AUT - U050924	5/9/2024	815	7804	F01005 MAR24 Refus VA_012762-756076-AG	12.64
AUT - U050924	5/9/2024	815	7803	F01005 MAR24 Sewer VA_012762-756076-B	1.39
AUT - U050924	5/9/2024	815	7803	F01005 MAR24 Water VA_012762-756076-D	1.95

Expenditure Transactions (Real-Time)

From 4/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
EFC - 0039251	5/9/2024	815	6700	ADP SUI Rate Change Invoice 4-22-24 4865879-00	28.00
CLM - 0784807	5/15/2024	815	6600	LAFCO HEALTH PREMIUM JUNE 2024	2,898.02
TRC - 0062784	5/15/2024	815	7732	Freeman Mileage Reim- May 2, 2024 Meeting	15.01
TRC - 0062785	5/15/2024	815	7732	Geyer Mileage Reimbursement- May 2, 2024 Meeting	13.94
TRC - 0062787	5/15/2024	815	7732	Kyriaco Mileage Reimb- May 2, 2024 Meeting	11.32
TRC - 0062788	5/15/2024	815	7732	LAFCO Meeting Mileage Reimbursement- May 2, 2024	78.39
TRC - 0062789	5/15/2024	815	7732	Osborne Mileage Reim -May 2, 2024 Mtg	34.04
TRC - 0062790	5/15/2024	815	7732	Richardson Mileage Reim- May 2, 2024 Meeting	63.78
TRC - 0062791	5/15/2024	815	7732	Stark Mileage Reim- May 2, 2024 Meeting	3.89
AUT - U052324	5/23/2024	815	7802	F01005 APR24 NaGas VA_1520146000-FB	12.73
AUT - G052424	5/24/2024	815	7803	Chem Aqua Billing April 2024	2.44
CLM - 0786543	5/29/2024	815	7324	2023 Outside Independent Audit - Apr 2024	3,000.00
AUT - U060324	5/31/2024	815	7804	F01005 APR24 Refus VA_012762-756076-AG	12.64
AUT - U060324	5/31/2024	815	7803	F01005 APR24 Sewer VA_012762-756076-B	1.50
AUT - U060324	5/31/2024	815	7803	F01005 APR24 Water VA_012762-756076-D	2.06
AUT - U060324	5/31/2024	815	7803	F01005 APR24 Water VA_012762-756076-C	1.10
CLM - 0787030	5/31/2024	815	7324	2022 Outside Independent Audit - Apr 2024	385.50
JE - 0266038	5/31/2024	815	6100	LAFCO Retire EE Contrib. PP6-2024-LAFCO	2,261.72
JE - 0266038	5/31/2024	815	6400	LAFCO Retirement LAFCO Contrib. PP6-2024	2,261.72
CLM - 0786692	6/1/2024	815	6600	LAFCO HEALTH PREMIUM APR - JUN 2024	107.21
CLM - 0786697	6/1/2024	815	6610	LAFCO EO TERM-LIFE & DISABILITY MAY 2024	247.10
CLM - 0786700	6/1/2024	815	6700	LAFCO CA SUI ID 698-1699	34.31
EFC - 0039389	6/1/2024	815	6210	LAFCO Comm Payroll Taxes & Dir Dep for - 6/11/24	1,815.30
EFC - 0039389	6/1/2024	815	6100	LAFCO Staff Payroll Dir Dep for - 6/11/24	22,188.64
EFC - 0039389	6/1/2024	815	7326	LAFCO EO Auto Allowance for - 6/11/24	583.33
EFC - 0039389	6/1/2024	815	7811	LAFCO EO Phone/Cash Allowance for - 6/11/24	203.00
EFC - 0039389	6/1/2024	815	6700	LAFCO FED FUTA FOR - 6/11/24	12.00
EFC - 0039389	6/1/2024	815	6500	LAFCO FED SOCSEC FOR - 6/11/24	1,667.23
EFC - 0039389	6/1/2024	815	6550	LAFCO FED MEDICARE FOR - 6/11/24	389.92

Expenditure Transactions (Real-Time)

From 4/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
EFC - 0039389	6/1/2024	815	6700	LAFCO CA SUJ/SDI FOR - 6/11/24	273.80
TRC - 0063017	6/1/2024	815	7732	PRATER Mileage Reimbursement-MAY 2024	437.64
AUT - TELE 05	6/6/2024	815	7897	001FIXED TELEPHONE CHARGES FOR 5/2024	38.00
CLM - 0788186	6/6/2024	815	6600	LAFCO SDRMA ANCILLARY COVERAGE PAYMENT 6/22/24	194.26
CLM - 0788312	6/6/2024	815	6900	LAFCO SDRMA WORKERS COMP ANNUAL PAYMENT 24-25	1,501.95
TRC - 0063076	6/6/2024	815	7732	CARBAJAL Mileage Reimbursement-Apr 2024	95.81
AUT - U050924	6/7/2024	815	7803	F01005 MAR24 Water VA_012762-756076-C	1.04
AUT - U050924	6/7/2024	815	7801	F01005 APR24 Elect VA_700067236909-M	54.69
AUT - U050924	6/7/2024	815	7804	F01005 MAR24 Refus VA_012762-756076-AG	12.64
AUT - U050924	6/7/2024	815	7803	F01005 MAR24 Sewer VA_012762-756076-B	1.39
AUT - U050924	6/7/2024	815	7803	F01005 MAR24 Water VA_012762-756076-D	1.95
AUT - U052324	6/7/2024	815	7802	F01005 APR24 NaGas VA_1520146000-FB	12.73
AUT - G061124	6/11/2024	815	7803	Chem Aqua Billing May 2024	2.44
AUT - U061124	6/11/2024	815	7806	F01004 - Energy Manager Billing May 2024	11.01
AUT - G061224	6/12/2024	815	7803	Chem Aqua Billing June 2024 Estimates	2.44
AUT - U061224	6/12/2024	815	7806	F01004 - Energy Manager Billing June 2024 Estimat	11.01
JE - 0266781	6/12/2024	815	7460	LAFCO Services Billings 7.1.22-6.30.23	1,006.01
EFC - 0039388	6/14/2024	815	7507	LAFCO ADP Fees 6/11/2024 Pay Date	168.17
CLM - 0789483	6/17/2024	815	6600	LAFCO HEALTH PREMIUM JULY 2024	2,898.02
JE - 0267506	6/26/2024	815	7455	Print Shop Chg Req#387,433,481,502,553,606,674,708	668.67
TRC - 0063093	6/26/2024	815	7732	Holderness Mileage Reimbursement- CALAFCO Workshop	410.71
TRC - 0063391	6/26/2024	815	7732	Patino Mileage Reim- May 2, 2024 Meeting	4.36
JE - 0267883	6/28/2024	815	7801	EV Reimbursements FY23-24	-37.35
JE - 0268032	6/28/2024	815	7508	CoCos Legal Services for LAFCO Q4 2024	9,487.89
CLM - 0789484	6/30/2024	815	6610	LAFCO EO TERM-LIFE & DISIBILITY JUNE 2024	247.10
CLM - 0789487	6/30/2024	815	6600	LAFCO SDRMA ANCILLARY COVERAGE PAYMENT 7/22/24	194.26
EAC - 0004413	6/30/2024	815	6210	LAFCO Comm Payroll Taxes & Dir Dep for - 7/11/23	200.00

Expenditure Transactions (Real-Time)

From 4/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320
 Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
EAC - 0004413	6/30/2024	815	6100	LAFCO Staff Payroll Dir Dep for - 7/11/23	21,863.64
EAC - 0004413	6/30/2024	815	7326	LAFCO EO Auto Allowance for - 7/11/23	583.33
EAC - 0004413	6/30/2024	815	7811	LAFCO EO Phone/Cash Allowance for - 7/11/23	203.00
EAC - 0004413	6/30/2024	815	6700	LAFCO FED FUTA FOR - 7/11/23	1.20
EAC - 0004413	6/30/2024	815	6500	LAFCO FED SOCSEC FOR - 7/11/23	1,555.63
EAC - 0004413	6/30/2024	815	6550	LAFCO FED MEDICARE FOR - 7/11/23	363.82
EAC - 0004413	6/30/2024	815	6700	LAFCO CA SUI/SDI FOR - 7/11/23	273.80
JE - 0266829	6/30/2024	815	6100	LAFCO Retire EE Contrib. PP7-2024-LAFCO	2,261.72
JE - 0266829	6/30/2024	815	6400	LAFCO Retirement LAFCO Contrib. PP7-2024	2,261.72
TRC - 0063231	6/30/2024	815	7732	PRATER Mileage Reimbursement-JUNE 2024	162.14
EFC - 0039730	7/5/2024	815	7507	LAFCO ADP Fees 7/11/2024 Pay Date	157.29
CLM - 0793084	7/6/2024	815	7430	CALAFCO 2024-25 Annual Dues	8,478.00
AUT - U071124	7/11/2024	815	7801	F01005 JUN24 Elect VA_700067236909-M	74.06
AUT - U071124	7/11/2024	815	7804	F01005 MAY24 Refus VA_012762-756076-AG	12.64
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Sewer VA_012762-756076-B	1.93
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Water VA_012762-756076-D	2.37
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Water VA_012762-756076-C	1.44
Total SB LAFCO					167,662.56

Expenditure Transactions

From 4/1/2023 to 6/30/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
JE - 0268032	6/28/2024	815	7508	CoCos Legal Services for LAFCO Q4 2024	9,487.89
CLM - 0789484	6/30/2024	815	6610	LAFCO EO TERM-LIFE & DISIBILITY JUNE 2024	247.10
CLM - 0789487	6/30/2024	815	6600	LAFCO SDRMA ANCILLARY COVERAGE PAYMENT 7/22/24	194.26
EAC - 0004413	6/30/2024	815	6210	LAFCO Comm Payroll Taxes & Dir Dep for - 7/11/23	200.00
EAC - 0004413	6/30/2024	815	6100	LAFCO Staff Payroll Dir Dep for - 7/11/23	21,863.64
EAC - 0004413	6/30/2024	815	7326	LAFCO EO Auto Allowance for - 7/11/23	583.33
EAC - 0004413	6/30/2024	815	7811	LAFCO EO Phone/Cash Allowance for - 7/11/23	203.00
EAC - 0004413	6/30/2024	815	6700	LAFCO FED FUTA FOR - 7/11/23	1.20
EAC - 0004413	6/30/2024	815	6500	LAFCO FED SOCSEC FOR - 7/11/23	1,555.63
EAC - 0004413	6/30/2024	815	6550	LAFCO FED MEDICARE FOR - 7/11/23	363.82
EAC - 0004413	6/30/2024	815	6700	LAFCO CA SUI/SDI FOR - 7/11/23	273.80
JE - 0266829	6/30/2024	815	6100	LAFCO Retire EE Contrib. PP7-2024-LAFCO	2,261.72
JE - 0266829	6/30/2024	815	6400	LAFCO Retirement LAFCO Contrib. PP7-2024	2,261.72
TRC - 0063231	6/30/2024	815	7732	PRATER Mileage Reimbursement-JUNE 2024	162.14
Total SB LAFCO					737,622.39

Expenditure Transactions (Real-Time)

From 7/1/2024 to 7/15/2024

Selection Criteria: Fund = 5320

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

Document	Post On	Dept	LIAcct	Description	Amount
EFC - 0039730	7/5/2024	815	7507	LAFCO ADP Fees 7/11/2024 Pay Date	157.29
CLM - 0793084	7/6/2024	815	7430	CALAFCO 2024-25 Annual Dues	8,478.00
AUT - U071124	7/11/2024	815	7801	F01005 JUN24 Elect VA_700067236909-M	74.06
AUT - U071124	7/11/2024	815	7804	F01005 MAY24 Refus VA_012762-756076-AG	12.64
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Sewer VA_012762-756076-B	1.93
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Water VA_012762-756076-D	2.37
AUT - U071124	7/11/2024	815	7803	F01005 MAY24 Water VA_012762-756076-C	1.44
Total SB LAFCO					8,727.73

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
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August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

2023-24 Year-End Report – June 30, 2024

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission Receive and File the 2023-24 Year-End Report.

DISCUSSION

The 2023-24 Year-End Report is attached for the Commission's information and review.

Revenues at year-end were 101.47% of budget, an increase of \$8,394. The increase was based on some members paying previous years outstanding balance.

Expenditures met budgeted amount, particularly in the Services and Supplies accounts that include Professional & Special Services, Auditing, and Training and Travel were under budget. Unemployment expenditures were over budget to closeout our EDD ID. Total expenditures were at 100.4%.

The positive balance in revenues over expenditures allowed the Commission to add back to Contingency/Reserves for 2024-25. This will bring contingencies/reserves to roughly 49.5 percent of the operating budget.

Attachments

Attachment A –Fiscal Year 2023-24 Financial Status

Attachment B –Fiscal Year 2023-24 Trial Balance

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

Commissioners: Jay Freeman, Chair ♦ Craig Geyer ♦ Joan Hartmann ♦ James Kyriaco ♦ Jorge Magana ♦ Bob Nelson
♦ Jenelle Osborne ♦ Alice Patino, Vice-Chair ♦ Jim Richardson ♦ Shane Stark ♦ Das Williams **Executive Officer:** Mike Prater

CONSENT CALENDAR ITEM No. 2

Budget Financial Status (Real-Time)

As of: 6/30/2024 (100% Elapsed)
Accounting Period: CLOSED

Selection Criteria: Fund = 5320

Layout Options: Summarized By = LineItemAccount

Line Item Account	2021/2022 Fiscal Year Actual	2022/2023 Fiscal Year Actual	6/30/2024 Year-To-Date Actual	2023/2024 Fiscal Year Adopted Budget	2023/2024 Fiscal Year Adjusted Budget	2023/2024 Fiscal Year Estimated Actual	2024/2025 Fiscal Year Rcmd Budget	2024/2025 Fiscal Year Adopted Budget	2025/2026 Fiscal Year Proposed Budget
Source of Funds									
Use of Money and Property									
3380 -- Interest Income	1,418.15	6,463.14	9,424.84	2,000.00	2,000.00	0.00	0.00	0.00	0.00
3381 -- Unrealized Gain/Loss Invstmnts	-59.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Use of Money and Property	1,358.24	6,463.14	9,424.84	2,000.00	2,000.00	0.00	0.00	0.00	0.00
Intergovernmental Revenue-Other									
4840 -- Other Governmental Agencies	438,000.00	567,833.00	550,792.00	538,514.00	538,514.00	0.00	0.00	0.00	0.00
Intergovernmental Revenue-Other	438,000.00	567,833.00	550,792.00	538,514.00	538,514.00	0.00	0.00	0.00	0.00
Charges for Services									
5738 -- Planning Studies Services	34,530.33	25,500.00	11,250.00	18,000.00	18,000.00	0.00	0.00	0.00	0.00
Charges for Services	34,530.33	25,500.00	11,250.00	18,000.00	18,000.00	0.00	0.00	0.00	0.00
Miscellaneous Revenue									
5909 -- Other Miscellaneous Revenue	5,889.90	9,239.43	6,441.24	11,000.00	11,000.00	0.00	0.00	0.00	0.00
Miscellaneous Revenue	5,889.90	9,239.43	6,441.24	11,000.00	11,000.00	0.00	0.00	0.00	0.00
Source of Funds	479,778.47	609,035.57	577,908.08	569,514.00	569,514.00	0.00	0.00	0.00	0.00
Use of Funds									
Salaries and Employee Benefits									
6100 -- Regular Salaries	170,724.09	273,261.20	290,693.19	297,932.00	297,932.00	0.00	0.00	0.00	0.00
6210 -- Commissioner/Director/Trustee	22,806.59	17,305.70	17,122.40	22,000.00	22,000.00	0.00	0.00	0.00	0.00
6400 -- Retirement Contribution	12,983.62	22,574.66	24,388.46	23,866.00	23,866.00	0.00	0.00	0.00	0.00
6500 -- FICA Contribution	11,058.39	16,237.04	18,218.35	15,861.00	15,861.00	0.00	0.00	0.00	0.00
6550 -- FICA/Medicare	2,829.95	4,292.57	4,578.38	6,462.00	6,462.00	0.00	0.00	0.00	0.00
6600 -- Health Insurance Contrib	16,939.80	32,571.98	36,427.18	26,215.00	26,215.00	0.00	0.00	0.00	0.00
6610 -- Life & Disability Insur	3,155.84	2,965.20	2,965.20	3,000.00	3,000.00	0.00	0.00	0.00	0.00
6700 -- Unemployment Ins Contribution	3,477.31	3,592.65	31,598.53	6,930.00	6,930.00	0.00	0.00	0.00	0.00
6900 -- Workers Compensation	1,196.00	2,144.07	1,501.95	1,400.00	1,400.00	0.00	0.00	0.00	0.00
Salaries and Employee Benefits	245,171.59	374,945.07	427,493.64	403,666.00	403,666.00	0.00	0.00	0.00	0.00

Budget Financial Status (Real-Time)

As of: 6/30/2024 (100% Elapsed)
Accounting Period: CLOSED

Selection Criteria: Fund = 5320

Layout Options: Summarized By = LineItemAccount

Line Item Account	2021/2022 Fiscal Year Actual	2022/2023 Fiscal Year Actual	6/30/2024 Year-To-Date Actual	2023/2024 Fiscal Year Adopted Budget	2023/2024 Fiscal Year Adjusted Budget	2023/2024 Fiscal Year Estimated Actual	2024/2025 Fiscal Year Rcmd Budget	2024/2025 Fiscal Year Adopted Budget	2025/2026 Fiscal Year Proposed Budget
Services and Supplies									
7324 -- Audit and Accounting Fees	11,130.00	5,981.00	7,415.40	12,000.00	12,000.00	0.00	0.00	0.00	0.00
7326 -- Auxiliary Expense	5,249.97	6,999.96	6,999.96	7,000.00	7,000.00	0.00	0.00	0.00	0.00
7430 -- Memberships	16,263.00	1,250.00	9,564.00	9,540.00	9,540.00	0.00	0.00	0.00	0.00
7450 -- Office Expense	2,136.14	2,697.88	333.99	1,500.00	1,500.00	0.00	0.00	0.00	0.00
7451 -- Postage	58.00	616.30	269.73	1,000.00	1,000.00	0.00	0.00	0.00	0.00
7453 -- Copier Expense	0.00	614.26	0.00	2,000.00	2,000.00	0.00	0.00	0.00	0.00
7455 -- Printing Expense	0.00	0.00	668.67	0.00	0.00	0.00	0.00	0.00	0.00
7460 -- Professional & Special Service	32,000.00	51,110.70	33,222.08	50,000.00	50,000.00	0.00	0.00	0.00	0.00
7507 -- ADP Payroll Fees	1,873.81	2,025.29	2,116.16	2,750.00	2,750.00	0.00	0.00	0.00	0.00
7508 -- Legal Fees	51,363.35	47,024.93	54,673.54	50,000.00	50,000.00	0.00	0.00	0.00	0.00
7510 -- Contractual Services	45,348.78	4,059.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7530 -- Publications & Legal Notices	2,156.50	2,215.81	2,232.99	2,000.00	2,000.00	0.00	0.00	0.00	0.00
7669 -- Cost Allocations	14,699.00	38,599.00	255.00	-245.00	-245.00	0.00	0.00	0.00	0.00
7732 -- Training	2,752.19	17,834.93	22,512.28	26,000.00	26,000.00	0.00	0.00	0.00	0.00
7763 -- Water	13.06	2.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Services and Supplies	185,043.80	181,032.03	140,263.80	163,545.00	163,545.00	0.00	0.00	0.00	0.00
Other Charges									
7801 -- Electricity	459.47	649.02	643.58	500.00	500.00	0.00	0.00	0.00	0.00
7802 -- Natural Gas	148.44	225.97	175.37	175.00	175.00	0.00	0.00	0.00	0.00
7803 -- Water	133.06	118.21	104.54	150.00	150.00	0.00	0.00	0.00	0.00
7804 -- Refuse	158.08	163.84	170.36	200.00	200.00	0.00	0.00	0.00	0.00
7806 -- Utilities Services	36.94	40.94	62.76	100.00	100.00	0.00	0.00	0.00	0.00
7811 -- Cash Assistance Payments	1,807.66	2,436.00	2,436.00	2,450.00	2,450.00	0.00	0.00	0.00	0.00
7897 -- Telephone Services	398.88	397.08	456.00	450.00	450.00	0.00	0.00	0.00	0.00
Other Charges	3,142.53	4,031.06	4,048.61	4,025.00	4,025.00	0.00	0.00	0.00	0.00
Increase to Retained Earnings									
9600 -- Retained Earnings-Inc/Dec	0.00	0.00	0.00	-1,722.00	-1,722.00	0.00	0.00	0.00	0.00
Increase to Retained Earnings	0.00	0.00	0.00	-1,722.00	-1,722.00	0.00	0.00	0.00	0.00
Use of Funds	433,357.92	560,008.16	571,806.05	569,514.00	569,514.00	0.00	0.00	0.00	0.00

Last Updated: 7/15/2024 12:20 PM

Budget Financial Status (Real-Time)

As of: 6/30/2024 (100% Elapsed)
Accounting Period: CLOSED

Selection Criteria: Fund = 5320

Layout Options: Summarized By = LineItemAccount

Line Item Account	2021/2022 Fiscal Year Actual	2022/2023 Fiscal Year Actual	6/30/2024 Year-To-Date Actual	2023/2024 Fiscal Year Adopted Budget	2023/2024 Fiscal Year Adjusted Budget	2023/2024 Fiscal Year Estimated Actual	2024/2025 Fiscal Year Rcmd Budget	2024/2025 Fiscal Year Adopted Budget	2025/2026 Fiscal Year Proposed Budget
Net Financial Impact	46,420.55	49,027.41	6,102.03	0.00	0.00	0.00	0.00	0.00	0.00

General Ledger Trial Balance

As of: 6/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5320
Layout Options: Summarized By = Fund; Page Break At = Fund

Fund 5320 -- SB LAFCO

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	309,334.63	639,916.80	633,103.96	316,147.47
0230 -- Accounts Receivable	282.80	0.00	0.00	282.80
0240 -- Interest Receivable	1,897.20	9,424.84	8,662.68	2,659.36
Total Assets	311,514.63	649,341.64	641,766.64	319,089.63
Liabilities, Equity & Other Credits				
Liabilities				
1010 -- Warrants Payable	0.00	33,641.79	33,641.79	0.00
1015 -- EFT Payable	0.00	94,319.85	94,319.85	0.00
1210 -- Accounts Payable	-289.97	127,961.64	128,275.17	-603.50
1240 -- Accrued Expenses	-23,884.98	23,884.98	25,044.42	-25,044.42
1730 -- Unidentified Deposits	0.00	605,396.24	605,396.24	0.00
Total Liabilities	-24,174.95	885,204.50	886,677.47	-25,647.92
Equity				
2344 -- RE - Contingency	-75,000.00	0.00	0.00	-75,000.00
2350 -- Retained Earnings-Unreserved	-212,339.68	0.00	0.00	-212,339.68
2410 -- Est Revenues/Oth Fin Src	0.00	569,514.00	0.00	569,514.00
2510 -- Appropriations/Oth Fin Use	0.00	1,967.00	571,481.00	-569,514.00
2710 -- Revenues/Other Fin Sources	0.00	191,103.00	769,011.08	-577,908.08
2810 -- Expenditures/Other Fin Uses	0.00	596,426.08	24,620.03	571,806.05
Total Equity	-287,339.68	1,359,010.08	1,365,112.11	-293,441.71
Total Liabilities, Equity & Other Credits	-311,514.63	2,244,214.58	2,251,789.58	-319,089.63
Total SB LAFCO	0.00	2,893,556.22	2,893,556.22	0.00

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
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www.sblafco.org ♦ lafco@sblafco.org

August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Amendment to the 2024 Commission Regular Meeting Calendar

Dear Members of the Commission:

RECOMMENDATION:

It is recommended that the Commission Amend the 2024 Commission Regular Meeting Calendar.

DISCUSSION:

The current adopted meeting calendar indicates that the October Commission meeting is scheduled for October 3, 2024. Because this falls on the same day as California League of Cities Annual Conference, it is necessary to hold and move the October meeting date. Therefore, the calendar needs to be amended to hold a meeting at 1:00 p.m. October 10, 2024 in Santa Maria.

The current meeting calendar is attached for the Commission's information.

Attachments:

Attachment A: Adopted Commission Meeting Calendar for 2024

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

2024 Santa Barbara LAFCO Schedule

Meeting Dates and Locations

Meeting Date	Meeting Location	Remote Testimony
January 11, 2024	Santa Barbara	Santa Barbara
February 1, 2024	Santa Barbara	Santa Barbara
March 7, 2024	Santa Barbara	Santa Barbara
April 4, 2024	Santa Maria	Santa Barbara
May 2, 2024	Santa Barbara	Santa Maria
June 6, 2024	Santa Maria	Santa Barbara
July 11, 2024*	Santa Barbara	Santa Maria
August 1, 2024	Santa Maria	Santa Barbara
September 5, 2024	Santa Barbara	Santa Maria
October 3, 2024	Santa Maria	Santa Barbara
November 7, 2024	Santa Barbara	Santa Maria
December 12, 2024*	Santa Maria	Santa Barbara

* **Delayed One Week**

The locations for remote viewing and/or testimony are:

Santa Barbara
 Board of Supervisors Hearing Room
 105 East Anapamu Street, 4th Floor, Santa Barbara

Santa Maria
 Board of Supervisors Hearing Room
 511 East Lakeside Park way, Suite 141, Santa Maria

Regular Meetings are held the first Thursday of each month at 1:00 PM unless otherwise notified. The Commission encourages equal access. Those needing special accommodations due to a functional disability may request assistance prior to the date of the meeting by contacting the LAFCO office at (805)568-3391 or lafco@sblafco.org.

BUSINESS ITEM #1

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
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www.sblafco.org ♦ lafco@sblafco.org

August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Contract Approval with Davis Farr, LLP for Auditing Services

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission approve the Professional Service Agreement with Davis Farr, LLP for Auditing services and Annual Comprehensive Financial Report for the fiscal year ending June 30, 2024 through 2029, for total amount to be paid for services rendered by Consultant under the Agreement not to exceed the sum of \$11,875 (FY2024), \$12,465 (FY 2025), \$13,090 (FY 2026), \$13,740 (FY 2027), \$13,740 (FY 2028), and \$13,740 (FY 2029).

DISCUSSION

The firm of Davis Farr, LLP was selected by the Commission on August 3, 2023 to enter into a contract for auditing services by the Commission on October 3, 2023. Additional direction was given to the Executive Officer to seek inclusion into the next Joint Multi-LAFCO Audit group RFP process.

Staff joined with neighboring LAFCOs (El Dorado, Fresno, Marin, and Santa Cruz) to distribute an RFP on January 24, 2024 and select LAFCO's next independent auditing firm. **Attachment A** provides a copy of the RFP.

A total of 36 auditing firms were selected to receive a copy of the RFP. The deadline to submit proposals was March 22, 2024. In total, LAFCO received four proposals prior to the deadline. This staff report provides an overview of two key components to consider: (1) summary of the top three firms' proposals, and (2) staff's recommendation on which firm is the most suitable for Santa Barbara LAFCO.

RANKING OF AUDTING FIRMS (BASED ON WEIGHTED CRITERIA)

A total of four firms submitted a proposal expressing interest in becoming LAFCO's new auditor. The four firms are listed in **Table A** below. In accordance with the RFP, all proposals were evaluated based on their responses to provisions of the RFP. The following criteria was used to evaluate responses to this proposal:

1. The firm's licensing, independence with respect to LAFCO and results of most recent peer review (mandatory requirements);
2. Qualifications and Related Experience of the audit team who will serve LAFCO (Partner, Manager and Senior Auditors);
3. Experience of the firm auditing California agencies;
4. Prior experience of the engagement team in implementation of GASB #34 and other GASB Pronouncements;
5. Reference of local government clients;
6. Thoroughness of approach to conducting the audit of LAFCO;
7. Demonstration of the understanding of the objectives and scope of the audit;
8. Commitment to timeliness in the conduct of the audit; and
9. Maximum fees to conduct the audit.

Most Suitable Auditing Firm

It is staff's position that the most important areas to analyze are the qualifications of the auditing firm and the proposed costs of services. LAFCO's goal is to ratify a contract with a firm that is qualified and cost effective. Based on the firms' responses, and in conjunction with the weighted criteria, LAFCO staff and other LAFCOs identified Davis Farr LLP as the most suitable auditing firm to serve as LAFCO's independent auditor. **Table A** shows the ranking of each firm. The five LAFCOs made this determination following an interview process with the top three candidates. A brief explanation of each firms' ranking is found on page 3.

Table A: Auditing Firm Rankings (In Order of Weighted Points)

LAFCOs	Davis Farr	Brown Armstrong	Chavan	Einer Advisory*
El Dorado	96	96	72	50
Fresno	85	88	87	63
Marin	88	81	80	57
Santa Barbara	87	80	88	48
Santa Cruz	100	99	91	85
Total Average	91	89	84	61

*Footnote: Due to the low score from all five LAFCOs, Einer Advisory Group was not invited to interview.

Ranked #1: Davis Farr LLP

Davis Farr LLP earned 91 out of 100 points from the five LAFCOs. This firm serves as the auditor for several governmental agencies throughout the state, including nine LAFCOs: Imperial, Los Angeles, Orange, Marin, Placer, Riverside, San Bernardino, San Diego, and most recently Santa Barbara since 2023 – the most LAFCO clients out of the three finalists. The firm identified Shannon Ayala as LAFCO’s primary point person and has a total of 52 employees. Davis Farr LLP has significant LAFCO experience and currently provides auditing services to Marin and Santa Barbara LAFCOs, which are located in the Coastal Region. If selected, Davis Farr LLP is offering their services at \$11,875 in Year One (FY 23-24) and not to exceed \$13,740 by years (FY 26-27 to FY 28-29). **Attachment B** provides a copy of their proposal.

Ranked #2: Brown Armstrong Accountancy Corporation

Brown Armstrong earned 89 out of 100 points from the five LAFCOs. This firm serves as the auditor for several governmental agencies around the state and two LAFCOs: Kern and Napa. Brown Armstrong also provides audit services to the County of Santa Barbara. The firm identified Lindsey Zimmerman as LAFCO’s primary point person and has a total of 62 employees. While Brown Armstrong has LAFCO experience, most of their focus is currently on special districts throughout California. If selected, Brown Armstrong is offering their services at \$13,000 in Year One (FY 23-24) and not to exceed \$14,000 by Year Six (FY 28-29). **Attachment C** provides a copy of their proposal.

Ranked #3: Chavan & Associates LLP

Chavan & Associates earned 84 out of 100 points from the five LAFCOs. This firm serves as the auditor for several governmental agencies around the state but mostly school districts. The firm identified Sheldon Chavan as LAFCO’s primary point person and has a total of six employees. Chavan & Associates currently has no experience with LAFCOs. If selected, Chavan is offering their services at \$10,500 in Year One (FY 23-24) and not to exceed \$12,000 by Year Six (FY 28-29). It is important to note that these prices are only valid if at least three LAFCOs hire Chavan & Associates LLP. The other two firms do not have this condition as part of their bids. **Attachment D** provides a copy of their proposal.

Staff believes it would benefit the Commission to consider hiring a highly qualified auditing firm to continue with the effective use of agency resources and to continue providing transparency in LAFCO’s operations. Based on the analysis conducted by staff and the four other LAFCOs, it is recommended that the Commission select Davis Farr LLP to be LAFCO’s auditing firm over the next six years by adopting the draft professional services agreement (refer to **Attachment E**).

Attachments

Attachment A – Joint Request for Proposals

Attachment B – Davis Farr, LLP Proposal

Attachment C – Brown Armstrong Proposal

Attachment D – Chavan & Associates LLP Proposal

Attachment E – Professional Service Agreement with Davis Farr, LLP

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater

Executive Officer



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

January 24, 2024

Subject: Reissue of Request for Proposal

Dear Sir or Madam:

The El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz Local Agency Formation Commissions (LAFCo) are seeking proposals from qualified independent Certified Public Accounting firms to audit the financial statements of each LAFCo. The starting fiscal year will vary by LAFCo with the first one starting in with fiscal year ending June 30, 2023. All LAFCo are looking to go through FYE June 30, 2029. One LAFCo is only requesting services for every other year. An option to extend the contract for an additional one year will be considered for firms preparing a superior response.

LAFCos are state-mandated local governmental agencies charged with the responsibility of making difficult decisions on proposals for new cities, special districts, spheres of influence, and annexations. Each county in California is required to have a LAFCo.

If your firm is interested in being considered for this opportunity, please submit an electronic file, following the instructions described in the attached Request for Proposal (RFP), no later than **March 22, 2024 at 5pm**. If you have any questions regarding the RFP, please do not hesitate to contact me by email at jfried@marinlafco.org or by phone at (415) 578-2304.

Sincerely, Jason Fried

Executive Officer

Marin LAFCo

Attachment (1) – RFP

Attachment (2) – Price Chart

Attachment (3) – Sample Contract

Administrative Office
Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

Dennis Rodoni, Vice-Chair
County of Marin
Eric Lucan, Regular
County of Marin
Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax
Steve Burdo, Regular
Town of San Anselmo
Stephen Burke, Alternate
City of Mill Valley

Lew Kious, Regular
Almonte Valley Sanitary District
Craig Murray, Regular
Las Gallinas Valley Sanitary District
Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member
Roger Smith, Alternate
Public Member

ATTACHMENT A

**EL DORADO, FRESNO, MARIN, SANTA CRUZ, AND SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSIONS
REQUEST FOR PROPOSAL FOR AUDIT SERVICES**

I. INTRODUCTION

General Information

The El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz Local Agency Formation Commissions hereby known as “The LAFCos” are seeking proposals from qualified independent Certified Public Accounting firms to audit the financial statements of each LAFCo. The starting fiscal year will vary by LAFCo with the first one starting in with fiscal year ending June 30, 2023. All LAFCos are looking to go through FYE June 30, 2029. One LAFCo only is requesting services for every other year. An option to extend the contract for an additional one year will be considered for firms preparing a superior response. Audit reports would be prepared each of the years – separate audits for each of The LAFCo’s. Links to copies of previous audits are available below in each LAFCo profile.

The LAFCos have agreed to participate in a joint RFP to realize cost savings on each annual audit and on the overall cost of preparation.

The audits are to be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

There is no expressed or implied obligation for LAFCo to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, an electronic file of the proposal must be received by Jason Fried, Executive Officer, Marin Local Agency Formation Commission, on or before **March 22, 2014 (5:00 p.m.)**. The LAFCos reserves the right to reject any or all proposals submitted.

During the evaluation process, LAFCos reserves the right, where it may serve LAFCo’s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of LAFCo, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

LAFCo reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal is acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between LAFCo and the firm selected. A contract between the firm selected and each LAFCo will be approved separately by each LAFCo.

It is anticipated the RFP committee will make a selection of a firm by April 30, 2024. Each LAFCo will need to approve its own contract with the firm they selected which should occur within a couple of months of this date based on when each Commission meets.

A multiple -year contract with a one-year extension option is contemplated. The one-year renewal option will be subject to review by each LAFCo and satisfactory negotiation of terms (including a price acceptable to that LAFCo and to the selected firm).

Creation of LAFCos

In 1963, the State Legislature created Local Agency Formation Commissions to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a LAFCo. LAFCos are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

LAFCo Profiles

El Dorado LAFCo

Is a 7 member Commission with 4 alternate members and has 2 FTE staff. It meets every other month with an approximate budget of \$620,000. It is part of the California Public Employees' Retirement System (CalPERS). El Dorado LAFCo is independent, but participates in the County benefits pool for health, dental, and vision insurance. LAFCo's payroll is processed by the County Auditor's office.

First Audit Year needed – FY23-24

Commission preference is to have the audit completed by the end of the calendar year for the prior fiscal year. The audit can be conducted remotely.

Most Recent Year Audit - <https://www.edlafco.us/audit-fy2021-22>

Contract – Use sample contract in Exhibit A attached to this RFP.

Fresno LAFCo

Fresno LAFCo is a 5-member commission with 3 alternate members and has 4 FTE staff. The Commission meets once per month and operates from a budget of \$665,000. As an independent body we offer retirement benefits through Mission Square which we offer an option 457b and Commission funded 401a but also hold an agreement with our County to provide Health benefits as well as tech related services. Our office space is about to enter the second year of a five year agreement and we currently contract out our payroll, human resources, insurance, and legal services.

First Audit Year needed – FY 23-24, with future audits done every other year

Audits have been completed within a 6-month period starting in December and completed in May before the Fiscal Year ends. While this is the preference of the Commission, there is flexibility on our end to adjust this should it allow for savings opportunities.

Most Recent Year Audit – <https://www.fresnolafco.org/files/b047d7542/Agenda+Packet+Aug+2022.pdf>
(pages 5-36 of the attached packet)

Marin LAFCo

Is a 7 member commission with 4 alternate members and has 3 FTE staff. It meets every other month with an approximate budget of \$630,000. It is part of the Marin County Employee's Retirement Association (MCERA). Marin LAFCo is mostly independent, only being part of the County benefits pool for such things as health and dental insurance which it pays its own bills for and signs up staff to be part of.

First Audit Year needed – FY 24-25

Books close in November/ December time frame. Normally ready to have audit done in December/ January time frame. Does not need to be an in person audit willing to have a remote audit being conducted.

Most Recent Year Audit - <https://www.marinlafco.org/annual-audit-report>

Santa Cruz

Santa Cruz LAFCo is a 7-member commission with 4 alternate members and has 2 FTE staff. It meets once a month with an approximate budget of \$669,000. It is part of the California Public Employees' Retirement System (CalPERS). Santa Cruz LAFCo is an independent body that contracts with the County as a vendor for various services, including but not limited to accounting and office space.

First Audit Year needed – FY23-24 (This will be the first independent audit they have done.)

Santa Cruz LAFCo's fiscal year runs July 1 to June 30 and financials are typically ready for an audit in the September/October time frame. An in-person audit is not necessary.

Santa Barbara LAFCo

Santa Barbara LAFCo is a 7-member commission with 4 alternates and has 2 FTE staff. The Commission contracts with County Counsel for legal services. LAFCo staff prepares draw warrants and journal entries for each expenditure and deposit. These are entered in the County's financial system (Workday). General Accounting services include the use of the County's centralized accounting system and the validation, processing, and recording of financial transactions submitted by LAFCo. LAFCo has access to the general ledger, revenue, expenditure, and budget status reports as needed. Services also include processing, recording, tracking and mailing expenditures. SBLAFCo operates under a single-program government fund with an annual budget of approximately \$572,000 and is a part its County retirement system (SBCERS).

First Audit Year needed – FY23-24

Normally ready to have an audit done in January/February time frame.

Most Recent Year Audit – FY 2020-2021

<https://www.sblafco.org/files/0550ab793/SBLAFCO+Final+Financials+2021.pdf>

Funding for LAFCos

In 2000, the State Legislature signed into a law the Cortese-Knox-Hertzberg Local Government Reorganization Act which provided more independence for LAFCos and changed the way LAFCos are funded. Previously, LAFCos were funded (staffing, facilities, etc.) through their respective counties. Beginning July 1, 2001, the law requires that LAFCos be independent of their respective counties and requires that LAFCos be independent of their respective counties and requires that LAFCO's beneficiaries, the county, cities and special districts, equally share in the funding of LAFCO's budgetary costs.

General for all LAFCos

Although the counties contribute half or one-third of the LAFCo funding, LAFCo is an independent agency and its budget is not subject to County approval or oversight. Because of available cost saving opportunities, each LAFCO has entered into various contractual arrangements with the appropriate county as well as private vendors to provide certain services for LAFCo, including: office facilities, insurance, banking/investment, purchasing, internal auditing and employee benefits. While some LAFCos may have independent bookkeeping and bill paying system by state government code Counties collect dues from member agencies. In addition some LAFCo have contracts they use for general services such as this. Please see each profile on if they have a general contract to be used.

II. SCOPE OF THE WORK TO BE PERFORMED AND STANDARDS TO BE FOLLOWED

The LAFCos desire its General Purpose Financial Statements (GPFS) to be prepared by Independent Auditors and be fully compliant for GASB #34 and any other applicable GASB pronouncements and then-current accounting/audit requirements and standards for the fiscal years as shown in attached spread sheet.

The following is a summary of the scope of the audit of LAFCos for the previous fiscal years:

1. The audit firm will perform an audit of all funds of LAFCo. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States. The Audit will be in full compliance with GASB #34 and any other GASB pronouncements and then-current accounting/audit requirements and standards for the fiscal year being audited. The audit firm will render their auditors’ report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management’s Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the agency.
2. The audit firm shall issue a separate “management letter” that includes recommendations for improvements in internal control that are considered to be non-reportable conditions.

Each LAFCo staff will provide normal cooperation and assistance during the audit including typing of confirmation requests, referral to the appropriate person and/or department for supporting documents and reconciliations of major asset and liability balances. Each LAFCo staff will prepare the MD&A and transmittal letters based on a template supplied by the consultant. The format of supporting documents provided by LAFCo is at the discretion of each LAFCo. All other information and financial statements are the responsibility of the audit firm.

All working papers and reports are to be retained at the auditors’ expense for a minimum of three years. The audit firm will be responsible for making working papers available to each LAFCo or any other appropriate government agency.

III. TIMETABLE OF DELIVERABLE REPORTS

The audit firm shall be responsible for the preparation and word processing of the following financial statements:

<u>Report Description</u>	<u>Number of Copies</u>	<u>Due date</u>
General Purpose Financial Statements (GPFS)	1 electronic copy	Based on agreement with each LAFCo

A draft copy of each financial statement should be delivered to the LAFCo Executive Officer for review approximately 21 days prior to the deadlines noted above. Deadlines for delivery of draft and final financials statements may vary for each LAFCo referenced in this request for proposal and would be specified in the contract between the firm selected and each LAFCo.

IV. TIMETABLE OF AUDIT WORK TO BE PERFORMED

Each LAFCo has indicated above when they expected that LAFCo’s books will be closed and ready for audit. The audit consultant should work out with each LAFCo upon closing out of the books a time to meet each LAFCo needs. At the discretion of each LAFCo, the appropriate staff from the audit firm may be requested to present audit report to the Commission during a public meeting.

V. PROPOSAL REQUIREMENTS

The following material is requested to be received by the proposal due date or the firm will not be considered:

1. **Title Page** - The title page shall show the proposal subject, the firm's name and contact person and the firm's California CPA License Number and firm's Federal Identification Number.
2. **Cover Letter** - The cover letter should briefly state the proposer's understanding of the work to be performed, the commitment to perform the work in the required time frame and statements as to why the firm believes it is best qualified to perform the engagement. The cover letter should also make a statement that the firm's offer is a firm, irrevocable offer for at least 120 days. The cover letter should indicate whether the firm is independent with respect to LAFCo and that the firm is an Equal Opportunity Employer.
3. **Table of Contents**
4. **Proposer's Qualifications** - The audit firm should set forth the following:
 - A. **Qualifications and Related Experience of the Personnel Who Will Serve LAFCo** - Resumes of the Partner, Manager and Senior Auditor should be included. Resumes should include all relevant experience, education and CPA licenses and continuing education of the individuals over the past 3 years.
 - B. **Prior Experience Auditing Cities, Independent Special Districts and Other Local Governments** - Sufficient information should be provided regarding current local government audit clients, and date that the client has been served. Information should be provided regarding clients that the firm serves that have received the CSMFO and GFOA awards.
 - C. **Assistance in Implementation of GASB #34 and Other GASB Pronouncements** - Set forth your understanding of this accounting pronouncement and provide information on clients that you have assisted to date in implementing GASB #34 and other GASB Pronouncements.
 - D. **References of Local Government Clients** - Provide a listing of at least five municipal clients for which the firm's serves.
 - E. **Capabilities in General Consulting and Compliance Auditing** - Provide any other information regarding general consulting and special audits provided by the firm.
5. **Approach, Scope and Timing of the Audit**
 - A. **Provide in sufficient detail the firm's approach to LAFCo's audit**, including procedures to be performed, tasks to be accomplished under GASB #34 and other GASB pronouncements, tasks required as a part of the A-133 single audit, extent to which statistical sampling is to be used in the engagement, type and extent of use of software in the audit engagement, analytical procedures that may be used, the approach to be taken to gain and document an understanding of LAFCo's internal control structure, the approach to be taken in drawing audit samples for purposes of compliance testing, the consideration of laws and regulations, assistance required from LAFCo staff and proposed segmentation of the audit. Segmentation of the audit should include breakdown of hours required to perform the audit by classification and in total for the

planning and interim, GASB #34 and other GASB pronouncements implementation, final audit procedures including CAFR and reports preparation.

- B. Provide sufficient information of your firm’s understanding of the Objectives and Scope of the Engagement** - Specifics should be provided of the auditing standards to be followed and reports to be issued by the audit firm.

6. Hourly Rates

Hourly Rates of the Firm’s Employees should be provided by the firm for services which may be requested outside the scope of the audits as shown below. The hourly rates should be inclusive:

<u>Classification</u>	<u>Hourly Rate</u>
Partner	\$
Manager	\$
Senior Accountant	\$
Staff Accountant	\$_____

7. Maximum Fee

The maximum fees for the audit of each LAFCo should be provided in the attached excel spread sheet. The fees should be inclusive of any out of pocket expenses incurred by the audit firm. All proposals shall contain provisions to the effect that in the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, the firm shall provide in writing and in advance, the reasons for the additional services together with the firm’s estimate of costs, and a statement that no work will be performed without advance approval by LAFCo. Any and all additional work as agreed to in advance by LAFCo shall be compensated at the same rate quoted in the schedule submitted in the proposal.

8. Other Information Required in Proposal

The Auditing Firm shall provide a copy of its most recent Peer Review together with the California Society of CPA’s acceptance of such peer review. The auditing firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 per occurrence or accident for each of the following: Professional Liability (Errors & Omissions), Workers Compensation and Employer’s Liability, Comprehensive General Liability and Bodily Injury Insurance, and Automobile Liability (Owned and Non-Owned) and Property Damage Insurance. Prior to any commencement of audit services, the auditor will be required to provide certificates of insurance coverage to LAFCo. The auditing firm shall make a positive statement that it will not delegate or subcontract its responsibilities without prior written consent of LAFCo.

9. Contract

Do you have any issues with using the sample contract attached at the end of the RFP? If so please indicate the issue with the contract.

VI. EVALUATION CRITERIA

Proposals will be evaluated based upon their response to provisions of this Request for Proposal. The following criteria will be used to evaluate responses to this proposal:

1. The firm’s licensing, independence with respect to LAFCo and results of most recent peer review (mandatory requirements)

2. Qualifications and Related Experience of the audit team who will serve LAFCo (Partner, Manager and Senior Auditors)
3. Experience of the firm auditing California agencies
4. Prior experience of the engagement team in implementation of GASB #34 and other GASB Pronouncements
5. Reference of local government clients
6. Thoroughness of approach to conducting the audit of LAFCo
7. Demonstration of the understanding of the objectives and scope of the audit
8. Commitment to timeliness in the conduct of the audit
9. Maximum fees to conduct the audit

Items 2 through 8 will represent 80% of the weight of the evaluation criteria. Item 9 will be assigned a 20% weighting in the overall evaluation.

This RFP does not commit any LAFCo to award a contract or to pay any costs incurred for any services. The LAFCOs, at their sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The LAFCOs may waive any irregularity in any proposal. All proposals will become the property of the LAFCOs. If any proprietary information is contained in the proposal, it should be clearly identified.

VII. CONFIDENTIALITY

The California Public Records Act ("PRA") (Cal. Govt. Code Sections 7920.000 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the LAFCOs and proposer, shall be available to the public in accordance with the PRA.

If a proposer believes any communication contains trade secrets or other proprietary information that the proposer believes would cause substantial injury to the proposer's competitive position if disclosed, the proposer shall request that the LAFCOs withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its price proposal as confidential.

VIII. OTHER INFORMATION

Firms are encouraged to contact Jason Fried, Executive Officer, Marin LAFCo, with any questions relating to this RFP or for copies of the LAFCOs' previous audits. Mr. Fried can be reached most easily by email at jfried@marinlafco.org. His telephone number is (415) 578-2304.

LAFCo	FY 23-24	FY24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
El Dorado						
Fresno						
Marin						
Mendocino						
Santa Barbara						
Santa Cruz						

PLEASE PROVIDE THE NOT TO EXCEED AMOUNT FOR EACH YEAR.
 Black Box means that LAFCo does not need an audit for that FY.

[INSERT DATE]

[INSERT NAME]

[INSERT ADDRESS]

[INSERT CITY, STATE ZIP]

Dear [INSERT NAME]:

Letter Agreement for [Insert Type of Services]

This letter shall be our Agreement (“Letter Agreement”) regarding the [INSERT TYPE OF SERVICES] described below (“Services”) to be provided by [INSERT NAME OF PERSON OR FIRM AND INDICATE IF IT IS A CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP OR OTHER LEGAL ENTITY] (“Consultant”) as an independent contractor to the Marin Local Agency Formation Commission (the “Commission”) for the Commission’s [INSERT NAME OF PROJECT] (“Project”). Consultant is retained as independent contractor and is not an employee of the Commission. Commission and Consultant are sometimes referred to herein as “Party” or “Parties.”

The Services to be provided include the following: [INSERT DETAILED DESCRIPTION OF SERVICES - IF THE CONSULTANT HAS A SEPARATE SCOPE OF SERVICES DOCUMENT, MAKE SURE IT IS CONSISTENT WITH THE LANGUAGE IN THIS LETTER AGREEMENT, MARK IT AS EXHIBIT “A”, ATTACH IT AND REPLACE THIS PARAGRAPH WITH THE FOLLOWING: The Services to be provided are more particularly described in the Scope of Services attached hereto as Exhibit “A” and are incorporated herein by reference.] Services on the Project shall begin immediately and shall be completed by [INSERT DATE], unless extended by the Commission in writing.

Consultant shall perform all Services under this Letter Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California, and consistent with all applicable laws. Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Letter Agreement.

Consultant has represented to the Commission that certain key personnel will perform and coordinate the Services under this Letter Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of equal competence upon written approval of the Commission. In the event that the Commission and Consultant cannot agree as to the substitution of key personnel, the Commission shall be entitled to terminate this Letter Agreement for cause. The key personnel for performance of this Letter Agreement are as follows: [INSERT NAMES]

Compensation shall be based on the actual amount of time spent in adequately performing the Services, and shall be billed at the hourly rate(s) of \$ [INSERT RATES FOR EACH TYPE OF EMPLOYEE TO BE USED, OR IF THE CONSULTANT HAS A RATE SHEET, MARK IT AS EXHIBIT “___” AND ATTACH IT, AND REPLACE THIS SENTENCE WITH THE FOLLOWING: Compensation shall be based on the actual amount of time spend in adequately performing the Services and shall be

«Vendor»

[Date]

Page 2 of 6

billed at the hourly rate(s) described in the Consultant's rate sheet, attached hereto as Exhibit "____" and incorporated herein by reference]. The total compensation shall not exceed \$[INSERT DOLLAR AMOUNT] without written approval of the [INSERT POSITION/TITLE OF DEPARTMENT HEAD, OR EXECUTIVE OFFICER]. Consultant's invoices shall include a detailed description of the Services performed. Invoices shall be submitted to the Commission on a monthly basis as performance of the Services progresses. The Commission shall review and pay the approved charges on such invoices in a timely manner.

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. [INSERT "IF" OR "SINCE" AS APPLICABLE] the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and [INSERT "IF" OR "SINCE" AS APPLICABLE] the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Commission shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Letter Agreement upon request. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Sections 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

[INSERT "IF" OR "SINCE" AS APPLICABLE] the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable

«Vendor»

[Date]

Page 3 of 6

registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the Commission. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

Consultant shall provide proof of: A. Commercial General Liability Insurance, of at least \$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury and property damage, at least as broad as Insurance Services Office Commercial General Liability most recent Occurrence Form CG 00 01; B. Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, of at least \$1,000,000 per occurrence for bodily injury and property damage, at least as broad as most recent Insurance Services Office Form Number CA 00 01 covering automobile liability, Code 1 (any auto); C. Workers' Compensation in compliance with applicable statutory requirements and Employer's Liability Coverage of at least \$1,000,000 per occurrence; and D. Consultants providing professional services shall provide Professional Liability (Errors and Omissions) Insurance of at least \$1,000,000. Insurance carriers shall be licensed to do business in California and maintain an agent for process within the state. Such insurance carrier shall have not less than an "A-VII" rating according to the latest Best Key Rating unless otherwise approved by the Commission. The Commission, its officials, officers, employees, agents, and authorized volunteers shall be named as Additional Insureds on Consultant's policies of Commercial General Liability and Automobile Liability insurance and such coverage provided to the Commission as an Additional Insured shall apply on a primary and non-contributory basis. Waiver of subrogation endorsements in favor of the Commission shall be provided on Consultant's policies of Commercial General Liability, Automobile Liability and Workers' Compensation/Employer's Liability insurance.

The Commission may terminate this Letter Agreement at any time with or without cause. If the Commission finds it necessary to terminate this Letter Agreement without cause before Project completion, Consultant shall be entitled to be paid in full for those Services adequately completed prior to the notification of termination. Consultant may terminate this Letter Agreement only upon 30 calendar days' written notice to the Commission only in the event of Commission's failure to perform in accordance with the terms of this Letter Agreement through no fault of Consultant.

To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold the Commission, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors,

«Vendor»

[Date]

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consultants or agents in connection with the performance of the Consultant's services, the Project or this Letter Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Commission, its officials, officers, employees, agents, or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements; all emissions limits and permitting requirements imposed by the California Air Resources Board (CARB) or other governmental agencies; and all water quality laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Commission.

By executing this Letter Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Consultant shall maintain records of its compliance, including its verification of each employee, and shall make them available to the Commission or its representatives for inspection and copy at any time during normal business hours. The Commission shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Letter Agreement to make the same verifications and comply with all requirements and restrictions provided herein. Consultant's failure to comply or any material misrepresentations or omissions relating thereto shall be grounds for terminating this Letter Agreement for cause.

By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services. Finally, Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment in violation of state or federal law. As provided for in the indemnity obligations of this Letter Agreement, Consultant shall indemnify Commission against any alleged violations of this paragraph, including, but not limited to, any fines or penalties imposed by any governmental agency.

«Vendor»

[Date]

Page 5 of 6

This Letter Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Letter Agreement, the action shall be brought in a state or federal court situated in Marin County, State of California. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 *et seq.* prior to filing any lawsuit against the Commission. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the Commission.

Consultant shall not assign, sublet, or transfer this Letter Agreement or any rights under or interest in this Letter Agreement without the written consent of the Commission, which may be withheld for any reason. This Letter Agreement may not be modified or altered except in writing signed by both parties. Except to the extent expressly provided for in the termination paragraph, there are no intended third party beneficiaries of any right or obligation of the Parties.

This is an integrated Letter Agreement representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. Since the Parties or their agents have participated fully in the preparation of this Letter Agreement, the language of this Letter Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. The captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Letter Agreement.

Consultant warrants that the individual who has signed this Letter Agreement has the legal power, right and authority to make this Letter Agreement and bind the Consultant hereto. If you agree with the terms of this Letter Agreement, please indicate by signing and dating where indicated below.

«Vendor»
[Date]
Page 6 of 6

MARIN LOCAL AGENCY FORMATION COMMISSION **[INSERT CONSULTANT NAME]**

Approved By:

Signature

Jason Fried
Executive Officer

Name

Date

Title

Attested By:

Date

Board Clerk



PROPOSAL FOR
PROFESSIONAL AUDITING
SERVICES

Prepared By:

Davis Farr LLP
1903 Wright Place | Suite 280
Carlsbad, CA 92008

California CPA License Number: 7712
Federal Identification Number: 47-3535842

Contact Person:

Shannon Ayala, CPA | Partner
Office: 760.536.5140 | Direct: 760.298.5872
Email: sayala@davisfarr.com



Local Agency Formation Commission

El Dorado
Fresno
Marin
Santa Barbara
Santa Cruz

March 22, 2024

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APPENDIX

Cost proposal

Resumes

Peer Review Documentation

March 22, 2024

Mr. Jason Fried
Executive Director, Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903

We are pleased to provide our proposal to perform audit services to the El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz Local Agency Formation Commissions (LAFCOs) for the fiscal years ending June 30, 2024, through June 30, 2029, with the option to extend the contract for an additional on year.

Our approach to service emphasizes open and consistent communication, proactive problem-solving, and valuable support. We prioritize listening to your ideas and concerns, leveraging our financial and operational expertise to develop effective, creative solutions. We believe our firm, is the optimal choice for the district because of the following reasons, which are detailed further in our proposal:

- Our team assumes a leadership role when it comes to accounting and auditing issues faced by local governments. Our Partners actively participate in organizations such as the Government Accounting and Audit Committee of the CalCPA Society, CSMFO Professional Standards Committee, GFOA Special Review Committee, and regularly speak at conferences and training events, including the recent CSMFO Annual Conference.
- We currently provide audit services to several LAFCOs in California and possess a deep understanding of the challenges unique to California governments and special districts. This allows us to offer high-quality audits tailored the LAFCOs needs.
- We harness data mining software to detect irregularities in your accounting data, prioritizing areas where errors and potential fraud are more likely to occur.

We appreciate the opportunity to demonstrate our qualifications and are eager to establish a professional working relationship. Davis Farr LLP is independent of LAFCOs and is an Equal Opportunity Employer. Our proposal remains a firm and irrevocable offer for 120 days. I encourage you to contact me directly at (760) 298-5872.

Very truly yours,



Shannon Ayala, CPA
Partner

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a regional accounting firm that provides comprehensive attest and advisory services to federal, state, and local governments through offices in California and Washington. Our Carlsbad office will be responsible for this engagement. Our personnel have collectively served governmental entities for over 30 years, with government audit personnel classified as noted in the table below.

License to Practice in California – Davis Farr LLP, as well as all key personnel are licensed as independent certified public accountants (CPAs) with the California State Board of Accountancy.

Independence – Davis Farr LLP is independent with respect to the LAFCo as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest.

Insurance – Davis Farr LLP will meet the insurance requirements of each contract.

Quality Control – Our firm is committed to maintaining the highest standards of quality control. We are members of the American Institute of Certified Public Accountants (AICPA) and participate voluntarily in the AICPA Peer Review Program, with our most recent Peer Review report demonstrating our “Pass” in maintaining the highest level of quality control for our services, including government engagements. A “Pass” demonstrates the highest level of quality control in a Peer Review. We are also members of the AICPA’s Government Audit Quality Center. Our firm has had no disciplinary action taken or pending against us for the past three years by any state regulatory bodies or professional organizations.

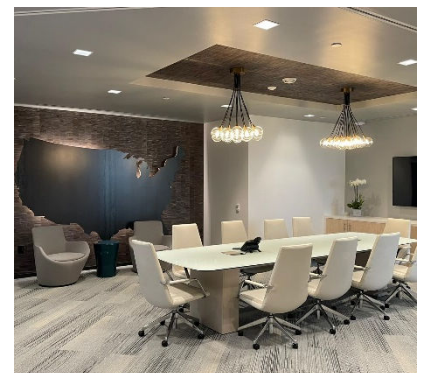
Training – We prioritize the ongoing education and training of every professional member of our firm. Each team member is required to complete 80 hours of training over two years, with at least 24 hours annually dedicated to specific government accounting and audit topics. Our extensive range of courses spans professional and technical subjects, including Fraud, Professional Ethics and Governmental Accounting and Auditing, ensuring all of our practitioners maintain their professional expertise.

Contract – Davis Farr LLP does not have any issues with the sample contract provided.

Exceptions to the Request for Proposal – Davis Farr LLP does not take any exception to the RFP.



Classification	Number of Employees
Partners	8
Managers	9
Supervisors	4
Seniors	15
Staff	12
Administrative	4
Total personnel	52



Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered with the National Association of State Board of Accountancy (NASBA), offering clients continuing professional education (CPE) programs consistent with nationally recognized standards. Our annual GASB Update is a prime example of our dedication to providing CPE opportunities to our clients.

California Society of CPAs (CalCPA) – Many of the CPAs employed by our firm are also members of CalCPA, regularly participating in chapter meetings, education forums, and other events. Our firm’s high standards have been recognized by CalCPA, through their *“Women to Watch”* award in the Experienced Leader category, granted to one of our Partners.

American Institute of Certified Public Accountants (AICPA) – Our firm is also a member of the AICPA, which develops and promotes industry standards in audits, shares educational materials with its members, and enforces compliance with technical and ethical standards.

California Society of Municipal Finance Officers (CSMFO) – We are members of CSMFO, a statewide organization serving all California municipal finance professionals. The Partners of Davis Farr LLP regularly participate in CSMFO chapter meetings and conferences, presenting on a variety of accounting and auditing technical topics. We recently presented at the 2023 CSMFO annual conference.

Government Finance Officers Association (GFOA) – The GFOA strives toward enhancing and promoting the professional management of governmental financial resources for the public benefit. Davis Farr LLP’s Partners are members of the Special Review Committee for the Certificate of Achievement Program, which reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program. We continue to advance our knowledge and share our expertise in these institutions, enabling us to deliver the highest-quality services to our clients.



Section B – Qualifications and Related Experience

With a strong track record in servicing governmental entities, Davis Farr LLP has established itself as a leading provider of specialized auditing services throughout Southern, currently, servicing approximately 60 municipal, state, and federal government entities. Our team brings a unique combination of expertise, technical skills and experience in local government accounting and auditing practices to our engagements, ensuring our clients receive the highest level of service possible. Services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the government agencies that the professionals of Davis Farr LLP have served recently are the following:

- City of Avalon
- City of Carlsbad
- City of Commerce
- City of Coronado
- City of Costa Mesa
- City of Cypress
- City of Delano
- City of Encinitas
- City of Fontana
- City of Garden Grove
- City of Huntington Beach
- City of Indio
- City of Irvine
- City of Laguna Niguel
- City of Los Angeles
- City of Mission Viejo
- City of Newport Beach
- City of Poway
- City of Rancho Santa Margarita
- City of Santee
- City of South Gate
- City of Vista
- County Los Angeles
- County of Placer
- County of San Diego
- East Orange County Water District
- Hass Avocado Board
- Irvine Ranch Water District
- Imperial LAFCO
- Los Angeles LAFCO
- Orange County LAFCO
- Marin LAFCO
- Placer County LAFCO
- Riverside LAFCO
- San Bernardino LAFCO
- San Diego Association of Governments
- San Diego County Water Authority
- San Diego LAFCO
- Sweetwater Authority
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District

Section C – Client References

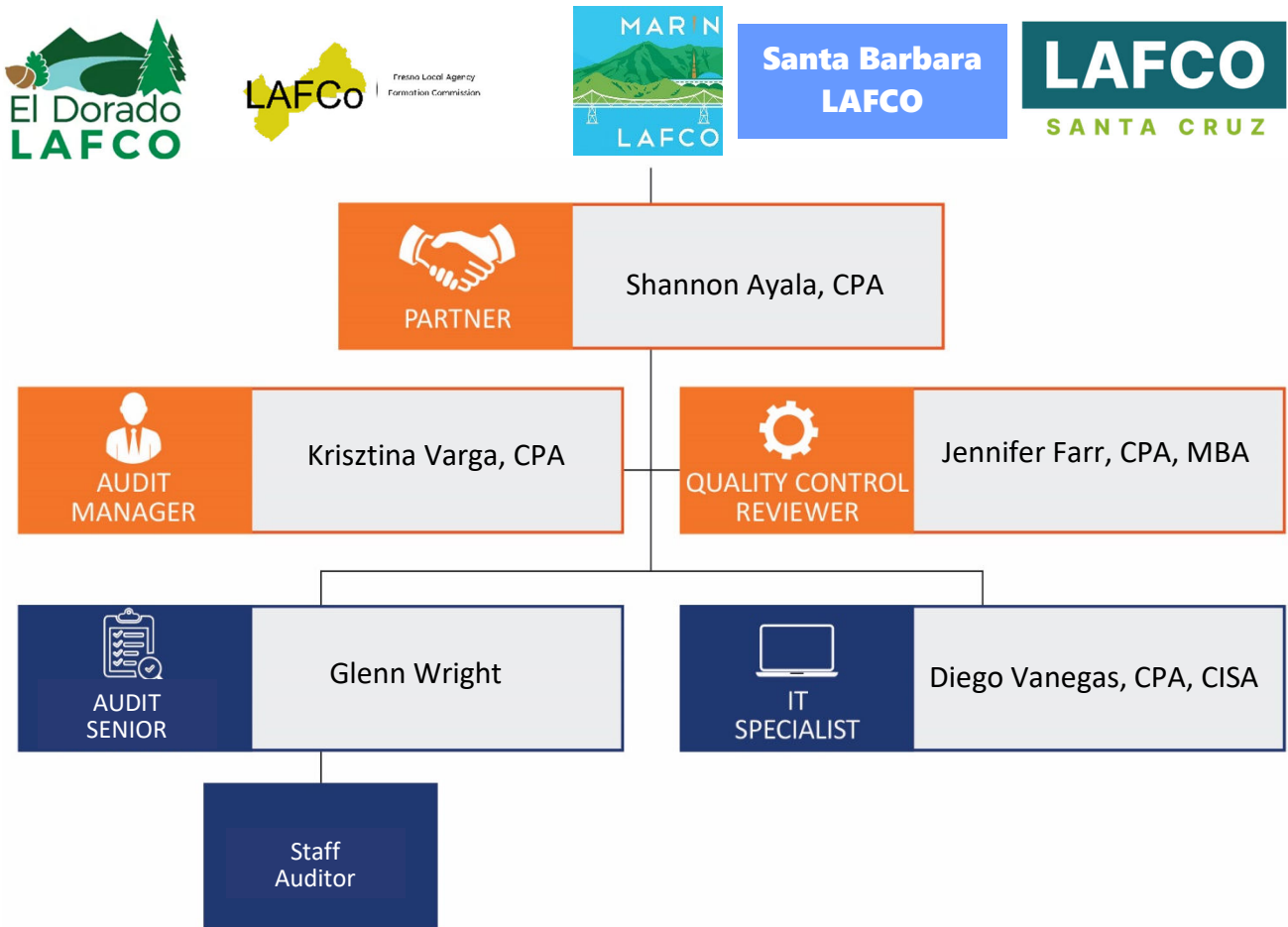
For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several local governments throughout California. For each of the references, we currently serve as independent auditors and have served these clients for a number of years.

CLIENT 1	<p>Imperial LAFCO 1122 W/ State St. Suite, A El Centro, CA</p> <p>Julie Carter, Accounting Manager 760.353.4115 juliec@iclafco.com</p>	<p><i>Financial Statement Audit of the LAFCO</i></p>	<p>95 Hours</p>
CLIENT 2	<p>Placer County LAFCO 110 Maple Street Auburn, CA</p> <p>Michelle McIntyre, Executive Officer 530.889.4014 mmcintyre@placer.ca.gov</p>	<p><i>Financial Statement Audit of the LAFCO</i></p>	<p>90 Hours</p>
CLIENT 3	<p>San Diego County Water Authority 4677 Overland Avenue San Diego, CA</p> <p>Chris Woidzik, Controller 858.522.6679 cwoidzik@sdcwa.org</p>	<p><i>Financial Statement Audit of the Authority and Quantification Settlement Agreement</i></p>	<p>325 Hours</p>
CLIENT 4	<p>Coachella Valley Assoc of Governments 74-199 El Paseo, Ste 100 Palm Desert, CA</p> <p>Claude Kilgore, Director of Finance 760.346.1127 ckilgore@cvag.org</p>	<p><i>Financial Statement Audit JPA Financial Statement Audits Single Audit</i></p>	<p>400 Hours</p>
CLIENT 5	<p>North County Dispatch JPA 16936 El Fuego Rancho Santa Fe, CA</p> <p>Christopher Herren, Administrator 858.756.3006 cherren@ncdjpa.org</p>	<p><i>Financial Statement Audit of the JPA and Single Audit</i></p>	<p>120 Hours</p>

Section D – Proposed Staffing

The success of any audit depends on the availability of personnel with the required managerial and technical skills. The engagement team at Davis Farr LLP has years of collective experience serving as a team of professionals on numerous financial audit examinations of local government entities. Our team will be composed of key personnel, including the Partner, Manager, and Senior Auditor, who will not be removed or replaced without the prior consent of the LAFCoS.

At Davis Farr LLP, we recognize that efficient administrative management and supervision of the audits is a vital factor in attaining the desired results for our clients. To ensure that the auditing process runs smoothly and produces accurate results for the LAFCoS, we have developed a solid organizational structure for providing independent auditing services, as follows:



Section E – Audit Approach

At Davis Farr, we are committed to conducting our engagements in the most efficient manner possible, and our audit approach is tailored to be sensitive to the priorities and requirements of our clients. Some unique features of our approach include:

- We prioritize minimizing disruption to LAFCo staff and completing the audit in a timely manner. To this end, we schedule our audit segments and requested documentation around the schedules of our clients.
- When possible, we strive to make use of existing accounting support materials already prepared by LAFCo staff. This avoids unnecessary duplication of effort and undue requests for supporting schedules. Typically, we request support for balance sheet items, the year-end trial balances and cash and long-term debt confirmations.
- Our expertise and focus is in governmental auditing, and our auditors possess the skills and know-how to address issues that are specific to local governments.
- We believe the key to effective internal control recommendations lies in understanding the unique circumstances and needs of each client we serve. For this reason, we take great care to acquire a comprehensive understanding of the specific circumstances at the LAFCo, so we can formulate practical and tailored recommendations that best meet your needs.
- We also understand that accounting issues can arise at any time of the year, and that addressing these concerns is critical to the success of your organization. That's why we make it our priority to be a constant resource for our clients throughout the year, providing accounting advice, researching technical questions, assisting with tax-related issues and helping with other challenges as they occur.

Audit Software - We utilize the highly versatile CaseWare audit software when generating electronic copies of audit workpapers. We understand the need for flexibility and are able to accept audit documentation in both hard copy and electronic format. CaseWare provides the ability to import trial balances from Excel or text documents, allowing us to begin analyzing figures almost immediately. CaseWare audit software offers numerous benefits, including:

- We create our own lead sheets and analytical review schedules through the software. This limits the amount of time finance staff spends creating audit schedules. The automated process also generates analytical review reports by account number. This makes it easier to examine significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide the LAFCo with financial statements soon after receiving the trial balance from the LAFCo. Journal entries are simple to post to the financial statement schedules, minimizing the risk of data entry errors.
- We can provide customized reports that outline the grouping of the financial statement schedules. These reports show each account grouped to a specific financial statement line item and journal entries posted during the audit.

Data Mining Software – At Davis Farr, we pride ourselves on leveraging technology to improve accuracy and efficiency of our audit procedures. Our dedicated team of trained personnel uses specialized data mining software, IDEA, to identify and investigate inconsistencies and irregularities within your accounting system. The software works by analyzing source data pinpoint potential anomalies, including, but not limited to, cross-referencing vendor and employee addresses, detecting duplicate or voided checks, reviewing journal entry posting for unauthorized individuals, and identifying accounting transactions recorded on the weekend. The IDEA software goes a step further by highlighting specific transactions for the auditors to review, thus enhancing the identification of potential fraud or errors.

Internal Control Evaluation – We have developed an effective methodology for evaluating internal controls that ensures we gain an understanding of your organization's procedures. Our approach includes observation and inquiry, which allows us to thoroughly explore the accounting cycles. When assessing internal controls, we invest significant time with the personnel overseeing the accounting process to better understand the procedures in place.

Following this preliminary assessment, we identify key controls in your processes and design customized tests to evaluate the effectiveness of your existing procedures. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will continue to review the accounting cycles mentioned earlier, while refining our approach to other related processes, such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and so forth. Our goal is to continually refine our audit approach to achieve optimal efficiency, increase the scope of our assessments and hone our ability to identify and address potential issues.

Audit Stage	Procedures Performed
<i>Planning and Inquiry</i>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel to gain an understanding of significant transactions during the year. ✓ Communicate with the Commission to ensure compliance with relevant laws and regulations and address any concerns they may have regarding the finances of the LAFCo. ✓ Perform internal control evaluations as outlined above. ✓ Determine materiality levels to guide our selection of audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of the Commission meetings to gain an understanding of financial actions taken by the LAFCo throughout the year. ✓ Examine new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments in accordance with the LAFCo’s investment policy and CA Government Code. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls. ✓ Perform a review of the LAFCo’s information systems and controls. ✓ Conduct compliance testing of federal grants, where applicable. ✓ Review the prior audited financial statements and offer feedback to LAFCo staff regarding best practices in financial reporting. ✓ Provide a GASB Update and templates for implementing new accounting standards
<i>Year-End Testing</i>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ Confirming 100% of all cash and investment balances and test market values provided by your investment custodians. ✓ Testing for proper cutoffs of accounts receivable and grants receivable. ✓ Testing the additions and deletions to capital assets and reviewing depreciation expense for reasonableness. ✓ Testing current liabilities and perform a search for unrecorded liabilities. ✓ Reviewing unearned revenue balances for proper cutoffs. ✓ Testing the balances of accrued payroll and employee related liabilities. ✓ Confirming long-term debt with independent parties, when applicable. ✓ Testing of actuarial valuations and calculations related to pension and OPEB obligations and disclosures under GASB 68 and 75, if applicable. ✓ Evaluating claims and judgments payable. ✓ Testing of restrictions and classifications of net position. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements.

Audit Stage	Procedures Performed
	<ul style="list-style-type: none"> ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>This list of tests, while not exhaustive, represents some of the critical procedures that we undertake during the audit process. During the final stage of the audit, we review our findings and necessary adjustments with your Finance staff. We will ensure you are fully informed of any adjustments or recommendations and that all your questions and concerns are addressed.</p>
<p>Completion of the Audit and Preparation of Financial Statements</p>	<p>Our goal is to deliver comprehensive, audited financial statements that conform to generally accepted accounting principles. Throughout the audit, we scrutinize all relevant information to ensure a reliable and accurate representation of LAFCo’s finances. The culmination of this audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ Reviewing significant events following the year-end closing process. ✓ Reviewing attorney letters for significant legal matters. ✓ Providing five levels of review on the LAFCo’s Financial Statements. ✓ Meeting with the Commission to present the audit results, if requested.

Section F – Implementation of New GASB Pronouncements

We are committed to helping our clients navigate the ever-changing world of accounting standards. We understand implementing new standards presents significant challenges, and we provide guidance and support to help our clients implement these changes efficiently and effectively. In the upcoming years, LAFCo will be required to implement several new accounting standards. Our services extend to consulting on these new standards to ensure your organization is well-prepared to meet the specified requirements.

Below are some of the significant new GASB pronouncements planned or proposed for local governments that may impact the LAFCo:

<p><i>GASB 100: Accounting Changes and Error Corrections</i></p>	<p>This statement provides guidance on accounting changes and accounting for different types of accounting changes and error corrections in the financial statements. This statement is effective for the fiscal year ending June 30, 2024.</p>
<p><i>GASB 101: Compensated Absences</i></p>	<p>This statement provides guidance on accounting changes and financial reporting related to compensated absences. This statement is effective for the fiscal year ending June 30, 2025.</p>

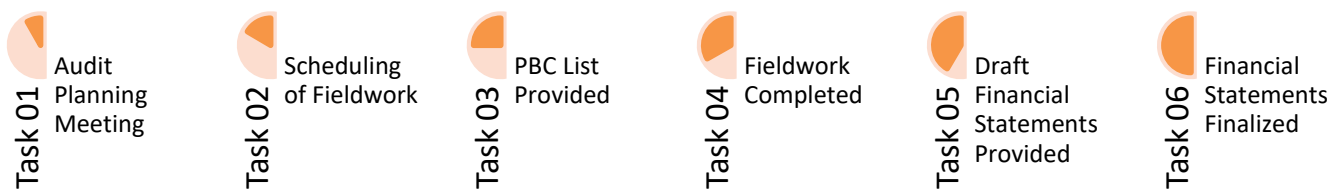
Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed for the LAFCo is as follows:

- Conducting an audit examination of the financial statements of the LAFCo for the fiscal year ending June 30, 2024, through June 30, 2029. The audit will be conducted in accordance with generally accepted auditing standards, the AICPA Audit and Accounting Guide, Audits of State and Local Government Units, and the Government Auditing Standards issued by the Comptroller General of the United States. We will ensure that the Basic Financial Statements are prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements.
- When necessary, we will perform a compliance audit of federal expenditures in accordance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* in any year the LAFCo has federal expenditures of more than \$750,000.
- We will prepare a “management letter” to the Commission summarizing the audit results in accordance with the Codification of Auditing Standards Section AU-260, and including recommendations for improvements in internal control that are considered to be non-reportable conditions.
- We will prepare a letter to the Commission reporting any internal control issues that meet the threshold of a significant deficiency or material weakness, as defined by the Codification of Auditing Standards Section AU-265. We will immediately report any irregularities or illegal acts that come to our attention to management and/or those charged with governance.
- If requested, we will meet with the Commission to discuss the results of the audit.
- Finally, we consider our role as advisors to the LAFCo regarding generally accepted accounting principles to be an essential part of our services. Throughout the year, the management and other finance personnel of the LAFCo will have full access to us to our team to seek advice on various matters relating to the application of generally accepted accounting principles, financial statement preparation and content, debt issuances, upcoming accounting standards and any other issues that may arise.

Section H – Proposed Timing of the Audits

The following proposed timing is subject to each LAFCO’s specific requirements, however, here is a general timeline of the audits:



Section I – Proposed Fees and Segmentation of the Audit

Please see the appendix for cost information for each LAFCO.

The following is our estimate of the hours by professional classification required to perform the services previously outlined:

Classification	Hours	Percentage
<i>Partner</i>	<i>8</i>	<i>9%</i>
<i>Manager</i>	<i>8</i>	<i>13%</i>
<i>Audit Supervisor/Senior</i>	<i>50</i>	<i>43%</i>
<i>Staff Auditor</i>	<i>30</i>	<i>35%</i>
Total	96	100%

For additional work performed outside of the engagement, our rates are as follows:

<i>Partner</i>	<i>\$250</i>
<i>Manager</i>	<i>180</i>
<i>Supervisor/Senior</i>	<i>130</i>
<i>Staff</i>	<i>110</i>



APPENDIX

Davis Farr LLP

LAFCo	FY 23-24	FY24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
El Dorado*	\$11,875.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00
Fresno**	\$13,125.00		\$14,470.00		\$14,990.00	
Marin-***		\$10,400.00	\$10,920.00	\$11,450.00	\$11,450.00	\$11,450.00
Santa Barbara*	\$11,875.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00
Santa Cruz****	\$13,750.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00

*Based on 95 hours for the first year engagement with prior year audited financial statements completed.

**Bi-annual audit - based on 105 hours, as a bi-annual audit requires additional work on the balances for the preceding year.

***Based on previous knowledge of hours required to complete audit as Marin is a current client.

****First ever audit and as such, there is additional work that needs to be completed. Subsequent years based on recurring annual audits.

Note: Cost savings can be realized by each LAFCo based on preparedness and responsiveness of staff during audit.

PLEASE PROVIDE THE NOT TO EXCEED AMOUNT FOR EACH YEAR.

Black Box means that LAFCo does not need an audit for that FY.



Shannon Ayala, CPA

Partner

Ms. Ayala will serve as the Quality Control Reviewer on this audit. She will be involved in approving the audit plan, reviewing key audit workpapers, reviewing all reports and acting as a second technical resource. Ms. Ayala is a Certified Public Accountant with twenty years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance, and compliance audits.

Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 10 years
- Lennar Homes – 2 years

Education

- Bachelor of Science - Accounting (San Diego State University)

Licenses / Registrations

- California CPA Certificate No. 88126

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--|--|
| ✓ City of Carlsbad | ✓ Rancho California Water District |
| ✓ City of Coronado | ✓ San Diego Local Agency Formation Commission |
| ✓ City of Del Mar | ✓ San Diego County Water Authority |
| ✓ City of Escondido | ✓ San Diego Association of Governments |
| ✓ City of Poway | ✓ Salton Sea Authority |
| ✓ City of San Marcos | ✓ San Dieguito River Park Joint Powers Authority |
| ✓ City of Santee | ✓ Sweetwater Authority |
| ✓ Imperial County Local Agency Formation | ✓ Vallecitos Water District |
| ✓ Leucadia Wastewater District | ✓ Rancho California Water District |



Jennifer Farr, CPA, MBA

Partner

Ms. Farr will serve as the Quality Control Reviewer on this audit. She will be involved in approving the audit plan, reviewing key audit workpapers, reviewing all reports and acting as a second technical resource. Ms. Farr is a Certified Public Accountant with over 20 years of experience in local government auditing. Ms. Farr is a frequent speaker on matters pertaining to technical issues and new GASB pronouncements. Ms. Farr is also responsible for training in the area of local governmental accounting and auditing.

Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)
- Bachelor of Arts - English (California State University, Fullerton)
- Master of Business Administration (California State University, Fullerton)

Licenses / Registrations

- California CPA Certificate No. 76292, October 1998

Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
 - Current Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Financial Review Committee

AUDITS OF GOVERNMENTAL AGENCIES

- | | | |
|---------------------------|------------------------|-----------------------------------|
| ✓ City of Avalon | ✓ City of RSM | ✓ Inland Empire Utilities Agency |
| ✓ City of Carlsbad | ✓ City of Rosemead | ✓ Irvine Ranch Water District |
| ✓ City of Commerce | ✓ City of Santa Ana | ✓ Leucadia Wastewater District |
| ✓ City of Campbell | ✓ City of Santee | ✓ Mesa Water District |
| ✓ City of Coronado | ✓ City of South Gate | ✓ Moulton Niguel Water District |
| ✓ City of Costa Mesa | ✓ City of Villa Park | ✓ Orange County Water District |
| ✓ City of Encinitas | ✓ City of Walnut Creek | ✓ Placer County Water Agency |
| ✓ City of Fontana | ✓ City of West Covina | ✓ San Diego Assoc. of Governments |
| ✓ City of Fountain Valley | ✓ City of Whittier | ✓ Sweetwater Authority |
| ✓ City of Garden Grove | ✓ City of Woodland | ✓ Tahoe Transportation District |
| ✓ City of Indian Wells | ✓ City of Tustin | ✓ Tahoe Regional Planning Agency |
| ✓ City of Mission Viejo | ✓ Cucamonga Valley WD | ✓ West Basin Municipal Water |
| ✓ City of Palm Springs | ✓ Eastern Municipal WD | ✓ Yucaipa Valley Water District |



Diego Vanegas, CPA, CISA, CITP

Partner

Mr. Vanegas will serve as the IT Specialist on the engagement. Mr. Vanegas, CPA, CISA, CITP has over 16 years of progressive governmental accounting and audit experience, including extensive compliance audit experience for governmental and non-profit agencies. He has been involved in financial/compliance audits, internal control audits and assessments, operational/performance audits, and cost proposal analysis/price reviews for various governmental agencies. Mr. Vanegas has served in many capacities depending on the size and requirements of the engagements. He has participated in audits of federal agencies such as NSF, CMS, and CNCS, among others. Additionally, Mr. Vanegas has been involved in agreed-upon-procedures and audit engagements of state/local agencies. These engagements have often combined both financial and compliance aspects of the audit as well as Information Technology (IT). Furthermore, he has strong internal control audit experience through the performance of System and Organization Control examinations of the internal controls of service organizations, as well as knowledge of Government Auditing Standards, Office of Management and Budget (OMB) Circular A-87 and the Federal Acquisition Regulations (FAR).

Employment History

- Davis Farr LLP: Partner – January 1, 2018 – Present
- Davis Farr LLP: Manager – June 2015 – December 31, 2017
- Top 10 National CPA Firm – May 2005 - June 2015

Education

- Bachelor of Science in Business Administration, with an emphasis in Accounting (California State University - Los Angeles)
- Bachelor of Science in Computer Information Systems, with an emphasis in Business Systems (California State University - Los Angeles)

Licenses / Registrations

- CA CPA Certificate No. 113040
- Certified Information Systems Auditor
- Certified Information Technology Professional, No. 3298



Krisztina Varga, CPA

Manager

Ms. Varga will serve as the manager on this engagement. She will be responsible for managing the engagement, providing technical assistance, reviewing reports and supervising staff. Ms. Varga has five years of audit experience, spending the majority of that time on audits for non-profits, and local government. The types of audits Ms. Varga has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Single Audits in accordance with OMB Circular A-133.

Employment History

- Davis Farr LLP – Since 2017
- Inveco USA – 2012-2017

Education

- Bachelor of Arts in Business Administration/Accounting (California State University, San Marcos)

Licenses / Registrations

- California CPA Certificate No. 145505

AUDITS OF SPECIAL DISTRICTS

- | | |
|------------------------------------|---|
| ✓ Community Colleges of Spokane | ✓ San Diego Association of Governments |
| ✓ Eastern Municipal Water District | ✓ San Diego County LAFCO |
| ✓ Encinitas Ranch Golf Authority | ✓ San Diego County Water Authority |
| ✓ Imperial County LAFCO | ✓ San Diego County of Emergency Services |
| ✓ Leucadia Wastewater District | ✓ San Diego Geographic Information Source |
| ✓ Rancho California Water District | ✓ San Dieguito River Park Valley JPA |
| ✓ Ramona Municipal Water District | |

AUDITS OF NON-PROFITS

- | | |
|-----------------------------|---|
| ✓ Family YMCA of the Desert | ✓ San Diego Children’s Discovery Museum |
|-----------------------------|---|

AUDITS OF LOCAL GOVERNMENTS

- | | |
|--------------------|-----------------------|
| ✓ City of Carlsbad | ✓ City of Vista |
| ✓ City of Poway | ✓ County of San Diego |
| ✓ City of Santee | |



Glenn Wright

Senior Auditor

Mr. Wright will serve as the in-charge on this engagement. He will be the main point of contact for the staff. He will be responsible for supervising the staff. Mr. Wright has eight years of audit experience in public accounting. Mr. Wright has spent time on audits for special districts and local government engagements. The types of audits Mr. Wright has been involved in include: financial audits of non-profits, cities and special districts, and Single Audits in accordance with Uniform Guidance. Before joining Davis Farr, Mr. Wright spent six years as an external auditor for Big 4 and other top 10 Audit firms.

Employment History

- Davis Farr LLP – 2023 - Present
- BDO USA LLP – 2022-2023
- Ernst & Young – 2021 – 2022
- CBIZ MHM, LLC – 2019 – 2021
- Considine & Considine 2016 - 2019

Education

- Bachelor of Science in Accountancy
(San Diego State University)
- Master of Science in Accountancy: Audit & Assurance
(San Diego State University)

AUDITS OF LOCAL GOVERNMENTS

- ✓ City of Vista
- ✓ City of Coronado
- ✓ City of Tustin

AUDITS OF SPECIAL DISTRICTS

- ✓ Rincon Del Diablo Water District
- ✓ Otay Water District
- ✓ Vista Irrigation District

AUDITS OF ASSOCIATIONS AND COMMISSIONS

- ✓ San Diego Association of Governments
- ✓ Coachella Valley Association of Governments
- ✓ Coachella Valley Conservation Commission
- ✓ Desert Community Energy



Report on the Firm's System of Quality Control

Davis Farr LLP

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and examination of a service organization (SOC 1 engagement).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

4120 Concours, Suite 100, Ontario, CA 91764
909.948.9990 / 800.644.0696 / FAX 909.948.9633
gyl@gylcpa.com
www.gylcpa.com

CPAmerica
Member  Crowe Global
ATTACHMENT B

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
August 8, 2022



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Local Agency Formation

COMMISSION

PREPARED FOR

*County of El Dorado
County of Fresno
County of Marin
County of Mendocino
County of Santa Barbara
County of Santa Cruz*

PROPOSAL FOR INDEPENDENT AUDITING SERVICES

PREPARED BY

Brown Armstrong

Accountancy Corporation

Lindsey Zimmerman, CPA/ Partner

4200 Truxtun Avenue, Suite 300

Bakersfield, California 93309

T: (661) 324-4971 | F: (661) 324-4997 | E: lzimmerman@ba.cpa

MARCH 22, 2024

FIN: 95-3109182 | LICENSE NO.: 1171



ATTACHMENT C

2. Cover Letter

March 22, 2024

Jason Fried
Executive Officer
County of Marin LAFCO
1401 Los Gamos Drive, Suite 220
San Rafael, California 94903

Dear Mr. Fried:

Brown Armstrong Accountancy Corporation (Brown Armstrong) is pleased to submit this proposal to perform financial statement audits of the El Dorado, Fresno, Marin, Mendocino, Santa Barbara, and Santa Cruz Local Agency Formation Commissions (LAFCOs) for the fiscal years ending June 30, 2023 through June 30, 2029 (depending on individual LAFCO request). We believe our proposal exceeds the requirements outlined in your request for proposal.

Brown Armstrong would like the opportunity to be your auditors. We believe one of the reasons we are the best candidate to meet your needs is because of our extensive experience serving government entities for almost 50 years and our client-oriented philosophy and hands-on approach. We believe this will allow us to offer you exceptional service.

We have thoroughly read your request for proposal (RFP) and understand its requests. We are committed to performance and the efficient completion of this audit on or before the various due date specified in your RFP. At Brown Armstrong, we understand that your timeframes must be met. As one of our key strengths, we develop an approach by which specific deliverables are achieved within set timeframes. We will work with you to develop a timeline that meets your specific requirements, meeting dates, field work dates, status reporting dates, and final report dates.

As noted above, we have almost 50 years of experience auditing numerous governmental entities and during that time frame we have provided superior audit services to the public sector and developed a substantial accounting and audit practice that is amongst the largest in California. Over one-half of our practice is dedicated to the audits of some 100 municipal clients, these include: counties, cities, special districts, public employee retirement systems; joint power authorities, and transit authorities located from Humboldt County in the north to San Diego County in the south. We are experts in governmental accounting and auditing and have assisted numerous clients in receiving the Certificate of Achievement for Excellence in Financial Reporting.

i

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

Our firm's partners, managers, and seniors are actively involved in trade associations such as Government Finance Officers Association (GFOA), California Transit Association, and the California Society of Municipal Finance Officers. Several of our Partners are pro bono recognized reviewers for the GFOA Certificate of Achievement Award Committee. We enthusiastically contribute our time to this Award process because as we review ACFRs from all across the United States, we maintain current, up-to-date knowledge of municipal accounting principles. Beyond the activity in trade associations, we offer our clients the education and organization to prepare themselves for upcoming regulation and compliance changes.

Our approach, people, commitment to timelines, and dedication to financial reporting excellence makes Brown Armstrong the best-qualified firm to meet your needs.

Our firm, its shareholders and employees are independent of the LAFCOs as defined by auditing standards generally accepted in the United States of America, and the General Accounting Office's *Government Auditing Standards*.

Brown Armstrong is an equal opportunity employer. See the *Other Information Required in Proposal* section for our statement regarding our commitment to Equal Employment Opportunities.

I certify that the requirements of the project as described in the RFP have been reviewed and I have conducted all necessary due diligence to confirm material facts upon which this proposal is based.

I will be the engagement partner and primary liaison responsible for all services provided to the LAFCOs, and I am entitled to represent the firm, empowered to submit this bid, and authorized to negotiate and sign a contract with the LAFCOs. I can be contacted at 4200 Truxtun Avenue, Suite 300, Bakersfield, CA 93309 Tel (661) 324-4971, Fax (661) 324-4997, or by email at lzimmerman@ba.cpa.

I, the undersigned, certify that I am duly authorized to represent the above-named firm and am empowered to submit this bid. In addition, I certify that I am authorized to contract with the LAFCO on behalf of the above-named firm. Please contact me if I can clarify or expand on any item contained in this proposal. We are available for an oral presentation, if requested. This proposal is a firm and irrevocable offer for one hundred twenty (120) days.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Lindsey Zimmerman, CPA
Partner

California Corporation Number: C0808648

Incorporation Date: February 10, 1977

Registered as:

Brown Armstrong Accountancy Corporation
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309

Title of person signing on behalf of the corporation: Partner

Local Agency Formation Commission

El Dorado | Fresno | Marin | Santa Barbara | Santa Cruz

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4. Proposer’s Qualifications

A. Qualifications and Related Experience of the Personnel Who Will Serve each LAFCO

Lindsey Zimmerman, CPA will be the Engagement Partner and primary liaison responsible for all services to each LAFCO and she is authorized to contractually bind the firm.

The members of the audit team assigned to your engagement are:

LAFCO TEAM



Lindsey Zimmerman, CPA

Engagement Partner

- **10+ years** governmental auditing experience
- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the LAFCOs, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery



Eric H. Xin, CPA, MBA

Technical Review Partner

- **25+ years** governmental auditing experience
- Assists in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Ensures conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



Sarabeth Prior-Dalmas, CPA

Engagement Manager

- **8+ years** governmental auditing experience
- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of the LAFCOs regarding audit planning, fieldwork, and reporting



Rishu Kalra, CPA

Engagement Senior

- **1+ years** governmental auditing experience
- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review



Yuchao Hu

Engagement Senior

- **5+ years** governmental auditing experience
- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review

The LAFCOs require auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of operations. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit procedures. This will allow you to have access to decision makers and the resources you need at all times.

TECHNICAL PROPOSAL

Resumes, continuing professional education and the respective CPA licenses of the proposed engagement team can be found on the following pages.

We want to provide the most stable, consistent staffing available during our partnership. Excessive personnel turnover can complicate engagements and decrease the efficiency of the audit due to "catch-up" time needed. Our mission to the LAFCO's maximum benefit from their working relationship with Brown Armstrong, we will continue to maintain the highest level of staff continuity throughout the course of the engagement. The engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. We understand that LAFCO staff retains the right to approve or reject replacements. We also understand that other audit personnel may be changed at our discretion, provided that replacements have substantially the same or better qualification or experience. If the LAFCOs wish to rotate staff members to enhance independence, we are willing to discuss those terms in the engagement.

Resumes



Lindsey Zimmerman

Engagement Partner, CPA

Background

Lindsey will be the Engagement Partner for the engagement. She is a partner who has more than 10 years of governmental auditing experience and 18 years of auditing experience. She has been with the firm since August of 2012, joining the firm after 6 years at KPMG Orange County and 4 years of additional accounting and auditing experience before working at KPMG. Her primary business focus is governmental entities audit and accounting. Her audit specialties include counties, cities, special districts, and retirement systems. She also enjoys presenting classes at SACA and CALAPRS.

Lindsey has always ensured that we have the highest level of audit and consulting services for all of her clients. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Contact

✉ lzimmerman@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

Azuza Pacific University
*Bachelors of Science Degree
 in Accounting*
 2006

Roles and Responsibilities

- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the LAFCOs, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery

Experience

Cities

Bakersfield
 Fresno
 Laguna Woods
 Morro Bay
 Tulare
 Visalia
 Paso Robles
 St. Helena

Counties

Kern
 Merced
 Napa
 Riverside
 San Diego - TTC
 Investment Pool
 Sana Barbara
 Santa Cruz

Non-Profits

Buck Owens Crystal Palace
 Buck Owens Private Foundation
 Goodwill Industries of South Central California
 Inspiring Pathways
 Rotary Club of Bakersfield
 Rotary Club of Wasco

Retirements

Kern County Deferred Compensation Plans
 San Francisco Bay Area Rapid Transit – Deferred Compensation Plan
 San Francisco Bay Area Rapid Transit – Money Pension Plan
 San Joaquin County Employees' Retirement Association
 San Luis Obispo County Pension Trust
 Southwest Contractors, Inc. Profit Sharing Plan

Special Districts

Buena Vista Water Storage District
 Kern Delta Water District
 Kern Fan Authority
 Kern County Housing Authority
 Kern Local Agency Formation Commission
 James Water Bank Authority
 Napa County Housing Authority
 Napa County Special Districts
 Napa Local Agency Formation Commission



Eric H. Xin

Technical Review Partner, CPA, MBA

Background

Eric Xin, a partner at Brown Armstrong's Bakersfield office, will be the Technical Review Partner for this engagement. He has over 25 years of experience in auditing governmental entities and brings expertise in many areas. His primary audit focus is in counties, cities, special districts, nonprofits and school districts.

Not only does he have experience in the audit process, but he will be an integral member of the team when it comes to keeping standards up to date. He is a reviewer for the GFOA Certificate of Achievement Program and reviews the Governmental Accounting Standards Board (GASB) advisory committees' latest pronouncements.

Contact

✉ exin@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

Nankai University, China
Bachelors of Science Degree in Business
1989

California State University, Bakersfield
Master's Degree in Business Administration
1996

Experience

Cities

Bakersfield
Delano
Fresno
Laguna Woods
Tulare
Visalia

Counties

Fresno
Kern
Kings
Merced
Riverside
San Diego - TTC
Tulare
Santa Barbara

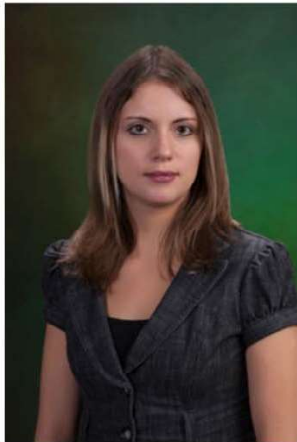
Non-Profits

Bakersfield D.A.R.E., Inc.
Cal State University Bakersfield Foundation
Community Action Partnership of San Luis Obispo
Community Action Partnership of Madera County
Christian Foundation of the West
Ebony Counseling Center
Economic Development Center – Fresno/Kings County
Kern County Probation Officer's Association
Missionary Church Western Region
Pacific Health Education Center

Special Districts

Buena Vista Water Storage District
California Valley Community Services District
First 5 Kern County
First 5 Kings County
First 5 Santa Barbara County
First 5 Stanislaus County
First 5 Merced County
First 5 Monterey County

First 5 San Joaquin
Kern Local Agency Formation Commission
Napa Local Agency Formation Commission
Olcese Water District
San Joaquin Area Flood Control Agency
San Joaquin Valley Air Pollution Control District
South San Joaquin Irrigation District



Sarabeth Prior-Dalmas

Engagement Manager, CPA

Background

Sarabeth is the engagement manager of the project and located in our Bakersfield office. She has more than 8 years of governmental auditing experience at Brown Armstrong. Her primary business focus is governmental entities audit and accounting. Her audit specialties include special districts, transits, and non-profits.

Sarabeth will be highly involved in the field work and a face-to-face presence for Brown Armstrong. She and the supervisor accountant will be easily accessible to the LAFCOs at all times. Her ability to manage an audit has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Roles and Responsibilities

- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of the LAFCOs regarding audit planning, fieldwork, and reporting

Contact

✉ sprior-dalmas@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

California State University, Bakersfield
Bachelor of Science Degree in Business Administration, Concentration in Accounting

Experience

Cities

Bakersfield
Morro Bay

Counties

Merced
Riverside
San Luis Obispo
Santa Barbara
Santa Cruz
Tulare

Non-Profits

Bakersfield ARC, Inc.
Bakersfield Homeless Center
First Assembly of God Church
National Test Pilot School

Transits

Kern Council of Governments
Tulare County Association of Governments
Stanislaus Council of Governments
Riverside Transit Agency
San Joaquin Council of Governments
San Joaquin Regional Transit District
Tulare County Regional Transit Agency

Special Districts

Bear Mountain Recreation and Park District
Buena Vista Water Storage District
Cawelo Water District
Goleta Water District
Kern Delta Water District
Kern Local Agency Formation Commission
Lamont Public Utility District
Mojave Air and Space Port
Mojave Public Utility District
North Kern Cemetery District
Port Hueneeme Water Agency

Retirements

City of Fresno Employees' Retirement System
Ventura County Employees' Retirement System



Rishu Kalra

Engagement Senior, CPA

Background

Rishu is an audit senior with almost two (2) years of governmental auditing experience. She has shown excellent performance in leading fieldwork, compiling and preparing financial statements, performing tests and analytical reviews, as well as creating strong working relationships with clients. He has executed audits in the past with little issues and is great at maximizing efficiency while performing audit work.

Contact

✉ rkalra@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

Panjab University, India
Master of Business Administration
Bachelor of Commerce

The Institute of Chartered Accountants of India
Chartered Accountant

Roles and Responsibilities

- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review

Experience

Cities

Laguna Woods
Morro Bay
Paso Robles

Counties

Napa
Riverside
Santa Cruz
Tulare

First 5s

Merced
San Mateo
Ventura

Special Districts

Cawelo Water District
Golden Valley Municipal Water District
Kern Local Agency Formation Commission
Lebec County Water District
North Kern Cemetery District
Sonoma County Public Safety Consortium
South San Joaquin Irrigation District

Non-Profits

Christian Foundation of America
Community Action Partnership of San Luis Obispo
Goodwill Industries of South Central California
Greater Bakersfield Legal Association
Hoffmann Hospice of the Valley, Inc.
Kern County Hispanic Commission
Liberty Health Advantage
National Association of Regional Councils
N.E.E.D.S. Center
New Start Youth Facility
Victory Family Services

Transits

Kern Council of Governments
San Bernardino County Transportation Authority
San Luis Obispo Regional Transit Authority
Stanislaus Regional Transit Authority
Tulare County Association of Governments



Yuchao Hu

Engagement Senior

Background

Yuchao is an audit senior with over five (5) years of governmental auditing experience. He has shown excellent performance in leading fieldwork, compiling and preparing financial statements, performing tests and analytical reviews, as well as creating strong working relationships with clients. He has executed audits in the past with little issues and is great at maximizing efficiency while performing audit work.

Contact

✉ yhu@ba.cpa

☎ 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Roles and Responsibilities

- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review

Education

California State University, Bakersfield
Bachelor of Science Degree in Business Administration, Concentration in Accounting and Finance
2014

Experience

Cities

Bakersfield
Fresno
Huron
Laguna Woods
Paso Robles
Tulare

Counties

Merced
Napa
Riverside

Special Districts

Antelope Valley East Kern Water Agency
Buena Vista Water Storage District
California Valley Community Services District
First 5 Kern
Kern Delta Water District
Kern Water Bank Authority
Minter Field Airport District
Mojave Public Utility District
Visalia Public Cemetery District

Transits

Kern Council of Governments
Riverside Transit Agency
San Joaquin Regional Transit District
San Luis Obispo Council of Governments
Santa Barbara Metropolitan Transit District
Tulare County Association of Governments

Non-Profits

Alumni Association California Institute of Technology
Bakersfield ARC
Christian Foundation of America
Community Action Partnership of Kern
Community Action Partnership of San Luis Obispo
Desert Tortoise Preserve
Friends of Mercy Foundation

Global Family Care network, Inc.
James Penny House
Kern Local Area Formation Commission
Kern Medical Center Foundation
New Start Youth Facility
Pacific Health Education Center
Proteus, Inc.
United Way of the Inland Valleys

Continuing Professional Education

Lindsey Zimmerman, CPA

Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 2, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 1, 2024
2023/24 Federal and California Tax Update, 2024
State Controller's Conference with County Auditors, 2023
Brown Armstrong - Governmental A&A Update, 2023
Accounting and Auditing Update - Day 2, 2023
Accounting and Auditing Update - Day 1, 2023
PCAOB Auditing Standards - Audit of Effectiveness of I/C over Fin Rep, 2022
SB 1343 & AB 1825 Prevention of Sexual Harassment & Bullying for Supervisors, 2022
Ethical Responsibilities for CPAs: Regulatory Review, 2022
Fraud Update - Ethics & Independence, 2022
AuditWatch Accounting & Auditing Update, 2022
Fraud Update - Ethics & Independence, 2022
2021/2022 Federal and California Tax Update - Part II, 2022
2021/2022 Federal and California Tax Update - Part I, 2022
The Head Start Program: COVID-19 Implications and Other Program Updates, 2022
Governmental and NP Accounting & Auditing, 2022
Real World Frauds Found in Governments, 2022
Governmental and Not-For-Profit Annual Update, 2022
Annual Conference of the State Association of County Auditors, 2022
2021 February GAAC Meeting, 2022
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021
GAAP - Update of Significant Accounting Topics, 2021
2020/2021 Federal and California Tax Update - Part 2, 2021
2020/2021 Federal and California Tax Update - Part 1, 2021
Single Audits: A Case Study Approach, 2017

Eric H. Xin, CPA, MBA

ACFE Expert Insights - Embedding Fraud Detection into Internal Audit, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 2, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 1, 2024
2023/24 Federal and California Tax Update, 2024
State Controller's Conference with County Auditors, 2023
Brown Armstrong - Governmental A&A Update, 2023
Accounting and Auditing Update - Day 2, 2023
Accounting and Auditing Update - Day 1, 2023
Breaking Down the New Auditor's Report for ERISA Engagements, 2022
Auditing ERISA Plan Investments, 2022
Planning an ERISA Plan Audit & Auditing the Statements of Net Assets Available for Benefits, 2022
Government & Nonprofit Update - Day 2, 2022
Government & Nonprofit Update, 2022
2022 State and Local Government Audit Planning Considerations, 2022
2022 Annual Required GAQC Webcast, 2022
Annual Conference of the State Association of County Auditors, 2022
AuditWatch Accounting & Auditing Update, 2022
Fraud Update - Ethics & Independence, 2022
2021/2022 Federal and California Tax Update - Part II, 2022
2021/2022 Federal and California Tax Update - Part I, 2022
The Head Start Program: COVID-19 Implications and Other Program Updates, 2021
Governmental and NP Accounting & Auditing, 2021
Real World Frauds Found in Governments, 2021
Governmental and Not-For-Profit Annual Update, 2021
Annual Conference of the State Association of County Auditors, 2021
2021 February GAAC Meeting, 2021
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021
GAAP - Update of Significant Accounting Topics, 2021
GAAP - Update of Significant Accounting Topics, 2021
2020/2021 Federal and California Tax Update - Part 2, 2021
2020/2021 Federal and California Tax Update - Part 1, 2021

TECHNICAL PROPOSAL

Sarabeth Prior-Dalmas, CPA

2023/24 Federal and California Tax Update, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 2, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 1, 2024
Brown Armstrong - Governmental A&A Update, 2023

Rishu Kalra, CPA

Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 2
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 1
Brown Armstrong - Governmental A&A Update
Accounting and Auditing Update - Day 2
Accounting and Auditing Update - Day 1

Yuchao Hu

Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 2, 2024
Brown Armstrong - AuditWatch Accounting & Auditing Update - Day 1, 2024
2023/24 Federal and California Tax Update, 2024
Accounting & Auditing Update, 2023
Government & Nonprofit Update, 2023
Government & Nonprofit Update, 2023
Accounting & Auditing Update, 2023
Government & Nonprofit Update - Day 2, 2022
Government & Nonprofit Update, 2022
AuditWatch Accounting & Auditing Update, 2022
Fraud Update - Ethics & Independence, 2022
Governmental and NP Accounting & Auditing, 2021
Real World Frauds Found in Governments, 2021
Governmental and Not-For-Profit Annual Update, 2021
Ethical Responsibilities for CPAs: Ethics Webcast, 2021
The Good (Ethical Leadership), the Bad (Fraud), and the Ugly (SSARS), 2021
GAAP - Update of Significant Accounting Topics, 2021

Licenses



ZIMMERMAN, LINDSEY

LICENSE NUMBER: [106220](#) LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT
LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: JUNE 30, 2024
SECONDARY STATUS: N/A
CITY: BAKERSFIELD STATE: CALIFORNIA COUNTY: KERN ZIP: 93309



XIN, ERIC H

LICENSE NUMBER: [76346](#) LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT
LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: FEBRUARY 28, 2026
SECONDARY STATUS: N/A
CITY: BAKERSFIELD STATE: CALIFORNIA COUNTY: KERN ZIP: 93309



PRIOR-DALMAS, SARABETH

LICENSE NUMBER: [127484](#) LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT
LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: OCTOBER 31, 2024
SECONDARY STATUS: N/A
CITY: TEHACHAPI STATE: CALIFORNIA COUNTY: KERN ZIP: 93581



KALRA, RISHU

LICENSE NUMBER: [154489](#) LICENSE TYPE: CERTIFIED PUBLIC ACCOUNTANT
LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: OCTOBER 31, 2025
SECONDARY STATUS: N/A
CITY: BAKERSFIELD STATE: CALIFORNIA COUNTY: KERN ZIP: 93311

B. Prior Experience Auditing Cities, Independent Special Districts, and Other Local Governments

Established in 1974, Brown Armstrong is one of the largest regional accounting firms serving California. We have built a full-service accounting and consulting firm serving clients from San Diego to Mendocino County. The dimension that Brown Armstrong is able to offer the LAFCOs is dedicated years in public accounting, which has enabled us to become a true advisor to your organization and an assistant to your financial success. Now, with sixty-two (62) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, nonprofits, corporations, partnerships and individuals in California.

The firm now employs 62 people as follows:

<i>Our Staff</i>		<i>Governmental Audit Staff</i>	
Partners	9	Partners	7
Managers	11	Managers	7
Seniors	7	Seniors	6
Staff	18	Staff	17
Support Staff	<u>17</u>	Support Staff	<u>3</u>
	<u>62</u>		<u>40</u>

We are not proposing as a joint venture or consortium.

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit, accounting, tax, and bookkeeping services. In addition to these services, the Firm’s accountants and consultants practice in the areas of risk assessment and Sarbanes-Oxley solutions, state and local tax, estate planning/wealth transfer, and information technology. We also perform peer reviews for other accounting firms. Our main Bakersfield office performs all listed services whereas our Stockton and Fresno offices perform mainly audit engagements.

Our governmental audit staff is made up of forty (40) professionals who are experts in their field. We have crafted expertise in auditing the public sector since the birth of the company. Through tireless planning, relationship building, and knowledge of the realm, we are dedicated to serving our clients and exceeding their needs and expectations.

All staff assigned to your engagement will be employed on a full-time basis from the Stockton and Bakersfield offices. Our firm has extensive experience in audits of local governments, having performed over 900 audits of public agencies over the past five (5) years. Several of these are local government agencies with a population of over 50,000 and over \$100 million in general governmental revenues. We have also performed Single Audits for most of these agencies.

Project Oversight Responsibilities

In the past seven years, all client deadlines have been met. We track projects using a Critical Dates List (CDL) similar to the one shown in Section 8, to ensure timely delivery and to keep open communication to meet client expectations. We encourage you to reach out to any of the references listed to confirm our dedication to timeliness and our clients’ deadlines.

Recent governmental clients serviced by Brown Armstrong are as follows:

* County of Fresno	2012 – Present	* City of Morro Bay	2021 – Present
** County of Merced	2012 – Present	* City of St. Helena	2020 – Present
* County of Riverside	2014 – Present	* City of Tulare	1999 – 2023
* County of Santa Barbara	2007 – 2019 --Present	* City of Turlock	2024 – Present
* County of Santa Cruz	2014 – Present		
* County of Tulare	2012 – Present		
* County of Napa	2016 – Present		

TECHNICAL PROPOSAL

Bear Mountain Recreation and Park District	2012-Present
Buena Vista Water Storage District	2015-Present
California Valley Community Services District	2020-Present
Cawelo Water District	2018-Present
County of Fresno Zoo Authority	2012-Present
*East Bay Regional Park District	2019-Present
*Goleta Water District	2015-Present
Golden Valley Municipal Water District	2021-Present
James Water Bank Authority	2020-Present
Kern Local Agency Formation Commission	2018-Present
Kern Tulare Water District	2015-Present
Kern Delta Water District	2012-Present
Lake Isabella Community Services District	2019-Present
Lamont Public Utility District	2016-Present
Lebec County Water District	2015-Present
Mojave Public Utility District	2013-Present
Napa County Vallejo Management Authority	2019-Present
Napa County Upper Valley Waste Management	2016-Present
Napa County Local Agency Formation Commission	2016-Present
Napa County In Home Supportive Services	2016-Present
Napa County Regional Park and Open Space District	2016-Present
Napa County Housing Authority	2016-Present
Napa County Sanitation District	2016-Present
Napa County Flood Control & Water Conservation District	2016-Present
North Kern Cemetery District	2016-Present
Olcese Water District	2018-Present
Port Hueneme Water Agency	2019-Present
Pixley Public Utility District	2012-Present
Santa Cruz County Library Financing Authority	2012-Present
Santa Cruz County Sanitation District	2014-Present
Santa Cruz County Library Facilities	2014-Present
South San Joaquin Irrigation District	2014-Present
Sonoma County Public Safety Consortium	2020-Present
West Side Mosquito Vector Control District	2019-Present
West Valley County Water District	2019-Present
Western Riverside County Regional Conservation Authority	2019-Present 2017-Present

Note that an * indicates a Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting winner.

Note that an ** indicates a CSMFO award winner.

C. Assistance in Implementation of GASB No. 34 and Other GASB Pronouncements

Brown Armstrong's philosophy is to take a proactive approach with new accounting pronouncements. We are involved in several organizations that helps us stay well informed of the most recent issues affecting the industry. We have assisted over one hundred municipal clients prepare for and implement GASB 34 since 2001. In support of this activity, four shareholders and one audit manager have been active participants of the GFOA's Award Review Committee for over ten years. Additionally, two of our partners serve on the State Committee of the Governmental Accounting and Auditing Committee (GAAC) and we also have partner participation in the California Society of Certified Public Accountants (CalCPA). In addition to the aforementioned, our firm has participation in the following:

- California Association of Public Retirement Systems (CALAPRS) – Presenters on GASB 72 implementation
- Members of the AICPA Governmental Audit Quality Center (GAQC) – This organization provides resources to promote high quality audits and our firm participates in the annual webcasts to stay informed on the most current issues.
- Participation in the State Association of County Auditors (SACA) – Our firm has been a presenter on several new pronouncements in recent years including fraud presentations.
- Participation in the State Association of County Retirement Systems (SACRS) – Participation in this organization allows us to remain current on all administrative, legal and accounting issues impacting 1937 Act retirements. Our firm has been a presenter on several new pronouncements in recent years.

In addition, we are proud that an alumnus of our firm, Jialan Su, is now a project manager at the GASB. Jialan has been a great resource for responding to technical accounting issues.

As a result of our participation in the above organizations, we have the latest in theory and practice regarding governmental auditing and accounting.

The proposed engagement team assisted several clients with early implementation of GASB Statement No. 34. More recently, Brown Armstrong developed a task force for implementation of GASB Statement No. 67 and No. 68 to assist clients with implementation. The task force comprised of several stakeholders including auditors, Plan sponsors, and actuaries. The proposed engagement team participated in the task force that involved communication with all stakeholders, developing a timeline, assisting with researching topics related to the new pension standards, and reviewing disclosures and calculations. Similar assistance has been provided to several of our clients with GASB Statement No. 75. Ms. Flores currently serves as the firm's Chair of the Audit Quality Committee (AQC). The AQC develops policies, ensures audit quality is maintained, and discusses new accounting pronouncements to proactively assist our clients with timely implementation.

In addition to our participation in numerous organizations, as mentioned above, our staff keeps current on professional standards. Brown Armstrong hosts annual two-day governmental accounting and auditing continuing education seminars on the most recent governmental accounting pronouncements for clients and staff to ensure our staff has the knowledge and is aware of the latest pronouncements and can serve as advisors to our clients when implementing new standards or an accounting matter arises.

D. References of Local Governments Clients

Our firm has extensive experience in audits of local governments, see Section 8 for a listing of governmental audits performed. The following are references of similar engagements and can be used as references.

County of Santa Barbara

Date:	2007 – 2019 & 2023 --Present
GFOA Awarded	Yes
Partner:	L. Zimmerman
Principal Contact:	Jenavieve Shiloh (805) 568-2134 jshiloh@countyofsb.org
Scope of Services:	ACFR Single Audit FNS 209 AUP GANN Limit Treasury Oversight Audit First 5 BSCC Audit Department of Insurance State Audits Agency Fund Audit

City of Morro Bay

Date:	2021 --Present
GFOA Awarded	Yes
Partner:	L. Zimmerman
Principal Contact:	Emily Conrad (805) 771-7202 econrad@morrobayca.gov
Scope of Services:	ACFR Single Audit Transit Funds Audit GANN Limit SCO Reports

City of St. Helena

Date:	2020 --Present
GFOA Awarded	Yes
Partner:	L. Zimmerman
Principal Contact:	Mandy Kellogg (707) 968-2649 mkellogg@cityofstheleena.org
Scope of Services:	ACFR Single Audit TDA Compliance SCO Reporting

Napa Local Agency Formation Commission

Date:	2016 --Present
GFOA Awarded	N/A
Partner:	L. Zimmerman
Principal Contact:	Brendon Freeman (707) 259-8645 bfreeman@napa.lafco.ca.gov
Scope of Services:	Financial Statements

Kern Local Agency Formation Commission

Date:	2018 – Present
GFOA Awarded:	N/A
Partner:	L. Zimmerman
Principal Contact:	Blair Knox (661) 716-1076 eo@kernlafco.org
Scope of Services:	Financial Statements

E. Capabilities in General Consulting and Compliance Auditing

Brown Armstrong is a full service accounting firm. We can provide advisory and other accounting services, including new accounting pronouncement implementation, non-profit tax issues, Federal compliance, and other areas, as long as these services will not impair our independence for audit.

The vast majority of our local entity governmental clients receive federal funds that require a single audit in accordance with the Super Circular issued by the Federal Register. Of the clients that we perform single audit procedures for, several of those have federal expenditures in excess of \$100 million including: the County of Fresno, County of Riverside, County of Santa Cruz, , and the County of Santa Barbara.

Our audit team also brings a wealth of experience in auditing joint power authorities, many of which are associated with current engagements of local entities. We also have vast experience in auditing non-profit entities. See a sampling listing of our experience as listed in Exhibit I of the proposal. Many of our local entity audits include public financing authorities as a component unit, which is audited in conjunction with the local entity audit, and all audit team members proposed for LAFCO have experience in dealing with those capital financing authorities.

In addition, the audit team assembled for the LAFCOs have worked on several different governmental entities, including Cities and Special Districts that have large enterprise fund operations, including both water and utility. The audit team also has experience in auditing public utilities including the Pixley Public Utility District, Mojave Public Utility District, and several different cities operating utility districts.

5. Approach, Scope, and Timing of Audit

A. Project Approach

The audit will be done in accordance with generally accepted auditing standards in the United States of America, and *Government Auditing Standards*, issued by the State Comptroller General of the United States.

If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, we will promptly notify the LAFCOs' Executive Directors. We will not perform extended services unless mutually agreed upon by both parties.

In accordance with *Government Auditing Standards*, we will perform a compliance audit by selecting necessary procedures for testing to express an opinion regarding compliance with the provisions of any and all Federal, State, and County Statutes, Ordinances Administrative Code and rules and regulations.

Method of Providing the LAFCO with Important Accounting Changes

As the selected firm, we will keep the LAFCOs informed of new state and national developments affecting Government finance and reporting, standards and trends including changes in federal/state grant program accounting, new GASBs and reporting requirements.

Each year Brown Armstrong organizes four days of CPE seminars in Bakersfield (two, two-day sessions covering 32 hours of CPE) for its professional staff and clients' personnel. One of the two-day CPE seminars is in the middle of January. It covers accounting and auditing updates relating to for-profit businesses (FASB, PCAOB, and SAS). Another two-day CPE seminar covering primarily governmental accounting and auditing updates (GASB, Yellowbook, Single Audit) is typically in May. The course material covers emerging issues, current pronouncements, auditing standards, risk alerts, information systems, reporting issues, and other topics of interest which concern auditing and accounting with an emphasis on governmental issues. Course materials are prepared by professional lecturers, our partners, managers, and seniors based on their own experience, research, and learning. Last year's attendance included Brown Armstrong professionals and nearly 60 clients and their accounting staff. All staff assigned to governmental entities meets the CPE requirements in accordance with *Government Auditing Standards*.

Identification of Anticipated Potential Audit Problems

We currently do not anticipate any audit problems. However, with our history of working with numerous local entities, often the greatest challenge and area that causes the most audit problems for local agencies is the handling and implementation of new GASB standards.

In the event problems are identified during the course of our audit procedures, we will resolve the problem as follows:

- Discussion amongst audit team at the time of identified potential audit problem for consultation and consensus amongst the team.
- Consultation and discussion with appropriate LAFCO personnel when identified to ensure all facts are known and agreed upon with the audit team.
- Consultation and discussion with liaison(s).
- Resolution with appropriate LAFCO personnel.
- If applicable, a management letter will be submitted documenting the criteria, condition, cause and effect of the issue, along with our recommendation and management's response and corrective action plan.

TECHNICAL PROPOSAL

B. Work Plan

Below is the proposed timeline of the engagement. Once contracted we will create a critical dates list, similar to the one listed in Section 8, with an aggressive schedule for specific dates that management has agreed to that will ensure a smooth flow of the audit process and completion before the assigned deadlines. Please see the following page for a detailed description of each phase.

Timing	Phase	Staff	Hours
December – February	Planning and Scope of Work <ul style="list-style-type: none"> Contract Award Perform predecessor audit workpaper review Conduct kick-off meeting with Management to discuss schedules and approach Obtain understanding of the LAFCO and its environment Develop audit programs Establish critical dates list with management Provide information request to LAFCO Obtain confirmations from LAFCO for mailing or emailing 	Partner Manager Senior Staff	1 4 85 10
September/ October	Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Field Work <ul style="list-style-type: none"> Trial balance to be obtained from each LAFCO Document key accounting and compliance processes with management and/or county personnel Obtain support for testing of controls. We will provide sample selections at least one week prior Evaluate internal control testing results and findings, if any Fraud risk assessment and fraud interviews Evaluate key estimates and contingencies Perform substantive testing over accounts and balances including predictive tests and analytical procedures Hold exit meeting with Management to discuss any potential issues, findings. 	Partner Manager Senior Staff	3 10 16 24
October – December	Completion of the Audit and Financial Reporting <ul style="list-style-type: none"> Assist with drafting financial statement disclosures and supporting documentation Complete review of financial reporting package Detailed Quality Control review by technical partner Issuance of required audit reports by the deadline 	Partner Manager Senior Staff	4 4 4 6
To Be Decided by LAFCO	Exit Meeting With Board of Directors <ul style="list-style-type: none"> Explain overall audit approach Discuss findings and recommendations Report opinions on financial statements Address required communication topics 		
		Total Hours	94

TECHNICAL PROPOSAL

We will begin with an entrance conference (aka kick-off meeting) with LAFCO Management. During this time, we will begin the following procedures:

Planning

During this phase of the audit, we will:

- < Confer with management to coordinate our efforts with the LAFCO's efforts in terms of confirmations, schedules to be prepared, and critical dates with an aggressive schedule that will ensure a smooth flow of the audit process and completion before the deadline;
- < Perform predecessor audit workpaper review;
- < Prepare a preliminary assessment of the LAFCO's internal control structure including controls over federal and state financial assistance programs;
- < Obtain responses to our Information Technology Inquiry to perform review of the Electronic Data Processing (EDP) controls relating to the LAFCO's computer system;
- < Perform planning analytical procedures consisting of: (1) Comparative analytics (current balances versus budget and prior year); and (2) Predictive analysis (revenues and expenditures/expenses susceptible to such testing based on our expectations);
- < Confer with management regarding the results of our planning and availability of remote access to systems;
- < Submit questionnaires and requests for information to management regarding internal control. Our approach will emphasize transaction processing; investments, cash receipts, cash disbursements, payroll, capital assets, and external reporting;
- < Obtain an understanding of general ledger and related reports available for audit; and
- < Obtain basic information from management relating to risk assessment, including fraud risks.

Internal Control Evaluation and Audit Risk Assessment

During this phase we will obtain an understanding of and evaluate key components of the LAFCO's internal control structure. This is the cornerstone of the engagement. Internal accounting control generally comprises the plan of organization and procedures and records that are concerned with the safeguarding of assets and reliability of financial records. We will begin by preparing memoranda to fully describe all financial systems. We will then review the documents to isolate the significant strengths and weaknesses that would affect the extent of substantive audit procedures to be employed. Each strength is then tested and the results are subjected to evaluation. These evaluations assist us in determining the amount of reliance we can place on those significant strengths we have identified. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- < Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- < Performing walk-throughs and tests of compliance with policies and procedures.
- < Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- < Interviewing key management personnel to verify or resolve complicated issues.
- < Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

Understanding Laws and Regulations of Audit Work

Our experience with various municipal audit clients, most with federal or state monies, has created a reservoir of knowledge of many laws and regulations.

Establishment of Audit Plan

Our audit plan will be based on the following:

- Results of our compliance and control testing;
- Analytical procedures applied to interim financial statements of LAFCO;
- Results of our risk assessment;
- Results of audit brainstorming and team discussions; and
- Discussions with management.

Statistical Sampling

Based on our preliminary assessment of the internal control structure and risk factors, we anticipate performing internal control testing in the following areas:

Review Area	Sample Size
Receipts and revenues	25-60
Disbursements and accounts payable	25-60
Payroll and related liabilities	25-60

Staff will perform internal control testing (subject to when the LAFCO's books close), with direct supervision by Ms. Prior-Dalmas. Sample sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Statistical and random sampling will be used to ensure that all samples truly represent the population being tested. We will use if allowed access your on-site automated data system on an "inquiry only" basis for purposes of identifying the postings of items selected for testing or excel extracts from your system. We will provide sample selections at least one week prior to scheduled fieldwork for LAFCO to pull supporting documentation.

Type and Extent of Analytical Procedures

We will perform analytical procedures during all phases of our audit (audit planning, field work and audit completion). We will build our expectations based on historical experience and known current year factors and will investigate significant departures at the financial statement level to decide if we can reach our comfort level for certain audit areas. We will also perform substantive analytical procedures, where we use analytical procedures as the principal substantive test of a significant financial statement assertion, based on the auditor's judgment and on the expected effectiveness and efficiency of available procedures.

Familiarity with Various Pension Documents

Our firm has developed a niche in governmental pensions which has allowed us to gain an understanding of actuarial terms and reports and have gained good knowledge of the unique pension accounting requirements.

Field Work

We can begin the final stages of the work remotely in September once the trial balances and financial statements are available to begin auditing.

During this phase, we will perform both analytical and substantive procedures such as variance analysis between prior year actual balances vs. current year actual balances and between current year actual balances vs. budget balances, predictive testing, confirming account balances, vouching revenues and expenditures and reviewing estimates for unpaid claims.

At the end of our field work, we will discuss any proposed adjustments with management, and we will request a representation letter from management regarding the audit.

Completion of the Audits

At the completion of all of the above procedures, we will the assist with the preparation of the financial statements for GAAP compliance at our manager and partner level. We will then issue drafts of all required reports, and discuss these drafts with appropriate LAFCO personnel. Upon approval by LAFCO, we will issue our reports in final form and be available for a presentation to the Board of Directors. For the fiscal year's financial statements, the auditor shall issue for LAFCO:

1. An individual report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for each LAFCO.
2. Management letter including recommendations and improvements in internal control that are considered to be non-reportable conditions for each LAFCO.

TECHNICAL PROPOSAL

Exit Presentation

Our engagement team is experienced with Board presentations. We understand the importance of in person meetings, which are fundamental to effectively communicating the audit results. Ms. Zimmerman has been presenting to public Boards for over 10 years. The audit team understands the importance of disseminating financial information in a cohesive and easy to understand for the average individual.

6. Hourly Rates

Staff Classification	Hourly Rate
Partner	\$300
Manager	\$180
Senior	\$120
Staff	\$100

7. Maximum Fee

Listed below is a condensed schedule of the maximum fees for the 2024-2028 engagements. Please refer to Exhibit C for the required form.

LAFCO	23-24	24-25	25-26	26-27	27-28	28-29
El Dorado	\$ 13,000	\$ 13,000	\$ 13,500	\$ 13,500	\$ 14,000	\$ 14,000
Fresno	13,000	-	13,500	-	14,000	-
Marin	-	13,000	13,500	13,500	14,000	14,000
Mendocino	13,000	13,000	13,500	13,500	14,000	14,000
Santa Barbara	13,000	13,000	13,500	13,500	14,000	14,000
Santa Cruz	13,000	13,000	13,500	13,500	14,000	14,000
Maximum Price	\$ 65,000	\$ 65,000	\$ 81,000	\$ 67,500	\$ 84,000	\$ 70,000

We do not anticipate that additional services will be necessary to complete the audit. If it should become necessary for the Agency to request Brown Armstrong to render any additional services to either supplement the services requested in the Request for Proposal, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the contract between the LAFCOs and the Firm. Any such additional work agreed to between the LAFCO and the Firm shall be performed at the same rates set forth in listed above in Section 6.

8. Other Information Required in Proposal

Independence

Our firm, its shareholders and employees are independent of the LAFCOs as defined by auditing standards generally accepted in the United States of America, and the General Accounting Office's *Government Auditing Standards*.

We have had no professional relationships involving the LAFCOs for the past five (5) years. We do not have a conflict of interest relative to performing the proposed audit. In the event our firm is to enter into any professional relationships during the period of our agreement, we will provide the LAFCOs with written notice of this fact.

We understand that the services performed by us are in the capacity of independent contractors and not as an officer, agent, or employee of the LAFCOs.

License to Practice in California

Our firm, the engagement partner, and all assigned key professional staff are properly licensed to practice public accounting in the State of California and are in good standing with all licensing agencies.

External Quality Control Review Report Results

As part of our commitment to quality control, our firm is a member of the Center for Public Firms Auditors Section (Center) of the American Institute of Certified Public Accountants (AICPA). We have completed several External Quality Control reviews under the AICPA's guidance, all of which included one or more governmental audits. The following page contains a copy of our most recent report. As indicated in that report, our Firm received a peer review rating of a "pass," which is the highest rating available.

On the following pages are copies of our most recent peer review report and California Society of CPA's peer review acceptance letter.

Insurance

Brown Armstrong has the required insurance policies outlined in the Request for Proposal and will furnish them upon notification of award of contract. Brown Armstrong understands this is a condition of the award.

Subcontracting

Brown Armstrong has no intention of subcontracting any portion of the engagement.

9. Contract

External Quality Control Review Report



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REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 30, 2022

To the Shareholders of
Brown Armstrong Accountancy Corporation
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.

Watson Coon Ryan, LLC

Watson Coon Ryan, LLC

Peer Review Acceptance Letter



National Peer
Review Committee

November 22, 2022

Andrew Paulden
Brown Armstrong Paulden McCown Starbuck Thornburg & Keeter Accountancy Corporation
4200 Truxtun Ave Ste 300
Bakersfield, CA 93309-0668

Dear Andrew Paulden:

It is my pleasure to notify you that on November 16, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is April 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity. Since your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wagner".

Michael Wagner
Chair, National PRC

+1.919.402.4502

cc: Troy Coon, Thomas Young

Firm Number: 900010090180

Review Number: 589682

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TECHNICAL PROPOSAL

Summary of Recent Governmental Experience

TRANSITS

Anaheim Transportation Network
Antelope Valley Transit Authority
Central Contra Costa Transit Authority
Eastern Contra Costa Transit Authority
Fresno County Transportation Authority
Gold Coast Transit District
Golden Empire Transit District
Kern Council of Governments
Kings County Area Public Transit Agency
Marin County Transit District
Napa Valley Transportation Authority
Peninsula Corridor Joint Powers Board
Riverside County Transportation Commission
Riverside Transit Agency
San Joaquin Council of Governments
San Joaquin Regional Transit District
San Luis Obispo Council of Governments
San Luis Obispo Regional Transit Agency
Santa Barbara Metropolitan Transit District
Santa Cruz Metropolitan Transit District
Solano County Transit
Stanislaus Council of Governments
Stanislaus Regional Transit Authority
Tulare County Association of Governments
Tulare County Regional Transit Agency

NON-PROFITS

Bakersfield ARC
California Association of County Treasurers
and Tax Collectors
California Association of Public Authorities
for IHSS
Civil Justice Association of California
Community Action Partnership of Kern
Community Action Partnership of San Luis Obispo
Community Action Partnership of Madera County
Kern County Bar Association
Missionary Church Western Regional
Tranquil Waters Guidance Center
Valley Consortium for Medical Education
Women's Center – High Desert

COUNTY RETIREMENTS

Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Merced	Stanislaus
Mendocino	Tulare
Sacramento	Ventura
San Bernardino	

SPECIAL DISTRICTS

Antelope Valley East Kern Water Agency
Bear Mountain Recreation and Park District
Buena Vista Water Storage District
California Valley Community Services District
Carpinteria Valley Water District
Cawelo Water District
East Bay Regional Park District
Eastern Kern Air Pollution Control District
Golden Valley Municipal Water District
Goleta Water District
Indian Wells Valley Groundwater Authority
James Water Bank Authority
Kern Local Agency Formation Commission
Kern Tulare Water District
Kern Water Bank Authority
Lake Isabella Community Services District
Lamont Public Utility District
Lebec County Water District
Mojave Public Utility District
Napa Local Agency Formation Commission
North Kern Cemetery District
North Coast Unified Air Quality Management District
Riverside County Habitat Conservation Agency
Pixley Public Utility District
Port Hueneme Water Agency
San Joaquin Area Flood Control Agency
San Joaquin Valley Air Pollution Control District
San Luis Obispo County Integrated Waste
Management Authority
Shafter Recreation and Park District
Sonoma County Public Safety Consortium
South San Joaquin Irrigation District
West Valley County Water District
Westside Mosquito and Vector Control District

HEALTHCARE

Liberty Health Advantage
Heritage Provider Network
Heritage California Medical Group
Heritage New York Medical Group
Southwest Health Care District
Riverside County Health System - Medical Center

OTHER RETIREMENTS

City of Fresno Employees' Retirement Systems
Los Angeles Fire and Police Pension System
Los Angeles City Employees' Retirement System
San Diego City Employees' Retirement System
San Francisco Bay Area Rapid Transit District
Money Purchase Plan and Deferred Compensation Plan
San Joaquin Regional Transit District Retirement Plans
San Luis Obispo County Employees' Pension Trust

CITIES

Bakersfield
Fresno
Huron
Laguna Woods
Morro Bay
Paso Robles
St. Helena
Tulare
Turlock

COUNTIES

Fresno
Kern
Merced
Riverside
San Joaquin
Santa Barbara
Santa Cruz
Stanislaus
Tulare
Napa

FIRST 5

Kern
Merced
Monterey
Napa
San Mateo
Sonoma
Stanislaus
Ventura

Sample Critical Dates List

LAFCOs

CRITICAL DATES LIST

<u>DUE DATE</u>	<u>ITEM</u>	<u>STATUS</u>
Friday August 30, 2024	AUDITORS to provide ___ LAFCO with information request list including confirmation templates	
Friday September 27, 2024	Trial balance and populations due from ___ LAFCo	
Monday September 30, 2024	All other items on Fieldwork Information Request Lists due from ___ LAFCo	
Friday October 4, 2024	Beginning of audit fieldwork at ___ LAFCo's office	
Friday October 4, 2024	Entrance Meeting with ___ LAFCo Management	
Friday October 4, 2024	___ LAFCo to provide the GASB 68/GASB 75 actuarial reports for AUDITOR review	
Friday September 27, 2024	AUDITOR to review the GASB 68/75 Schedules and approve JE's for the TB	
Monday September 30, 2024	AUDITOR to provide ___ LAFCo with first draft of financial statements for preparation of the MDA	
Monday October 28, 2024	___ LAFCo to prepare MDA	
Friday November 1, 2024	AUDITOR to provide ___ LAFCo with second draft of financial statements with MDA as well as any findings reports for review and comment	
Friday November 8, 2024	___ LAFCo to provide AUDITOR with suggested revisions to the financial statements and with responses to findings and recommendations (if any)	
Friday November 16, 2024	AUDITOR to provide final "packets" to ___ LAFCo management for Commissioner's meeting	
Friday November 16, 2024	___ LAFCo to provide AUDITOR with the Legal confirmation template for mailing	
Friday November 29, 2024	___ LAFCo assembles/delivers packet for Commissioners, including audit	
TBD	Management will present financial statements to the ___ LAFCo Commission, as requested (Reports to be in final form, separate packet for each Commissioners member)	

Equal Employment Opportunity Commitment

The Firm is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available people in every job. Therefore, the Company does not discriminate, and does not permit its employees to discriminate against other employees or applicants because of race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, marital status, national origin, citizenship, veteran status, ancestry, age (40 or over), physical or mental disability (an impairment that limits a major life activity), medical condition (cancer-related or genetic characteristic), or any other consideration made unlawful by applicable laws. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, compensation, benefits, discipline, layoff, recall and termination.

This policy not to discriminate in employment also includes, but is not limited to, the following:

- 1) The Firm will employ those applicants who possess the necessary skills, education, and experience for the position, without regard to race, color, religion, sex, pregnancy, national origin, ancestry, sexual orientation, age, marital status, gender identity, physical or mental disability, or medical condition.
- 2) No employee will aid, abet, compel, coerce, or conspire to discharge or cause another employee to resign because of race, color, religion, sex, pregnancy, national origin, ancestry, sexual orientation, age, marital status, gender identity, physical or mental disability, or medical condition.
- 3) The Firm will establish rates of pay and terms, conditions, or privileges of employment without regard to race, color, religion, sex, pregnancy, national origin, ancestry, sexual orientation, age, marital status, gender identity, physical or mental disability, or medical condition.
- 4) The Firm will use, for job referral purposes, only those employment agencies that do not discriminate on the basis of race, color, religion, sex, pregnancy, national origin, ancestry, sexual orientation, age, marital status, gender identity, physical or mental disability, or medical condition.

The Firm seeks to comply with legal requirements to ensure equal employment opportunities for persons who are qualified individuals with a disability. In order to make known to the Firm the person's disability, any applicant or employee who requires accommodation in order to perform the essential functions of the job should contact the Human Resources Administrator and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. The Firm will then engage in a good faith interactive process with the employee or applicant to determine what, if any, effective accommodations can be made for the employee or applicant. The Firm will conduct an investigation to identify the barriers that make it difficult for the applicant or employee to have an equal opportunity to perform his or her job. The Firm will identify possible accommodations, if any, that will help eliminate the limitation. If the accommodation is reasonable and will not impose an undue hardship, the Firm will make the accommodation.

If an employee believes they have been subjected to any form of unlawful discrimination, they are to provide a written complaint to the Human Resources Administrator as soon as possible. If the complaint relates to the Human Resources Administrator, provide the complaint to the President of the Firm. An employee's complaint should be specific and should include the names of the individuals involved and the names of any witnesses. The Firm will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation.


If the Firm determines that unlawful discrimination has occurred, effective remedial action will be taken, commensurate with the severity of the offense. Appropriate action will also be taken to deter any future discrimination. The Firm will not retaliate against an applicant or employee for filing a complaint and will not willingly permit retaliation by management employees or co-workers.

It is the responsibility of all Officers, managers, seniors, supervisors, and employees to carry out to the fullest extent the purpose and intent of the Firm's policy regarding equal employment opportunity. All members of management are responsible for the implementation of this program as it relates to their individual departments.

Employment decisions shall, therefore, comply with all applicable state and federal laws prohibiting discrimination in employment.

**PROPOSAL FOR CONDUCTING
THE ANNUAL INDEPENDENT AUDIT
OF THE
LAFCO**

Submitted March 22, 2024



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

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ATTACHMENTS:
Peer Review Report



Chavan and Associates, llp
Certified Public Accountants

March 22, 2024

We are pleased to have this opportunity to submit our proposal to provide auditing services for the LAFCOs. Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the LAFCO for fiscal years ending June 30, 2024 through June 30, 2029.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996; the U. S. Office of Management and Budget's (OMB) guidance for federal awards and agreements as provided in the Code of Federal Regulation (CFR) 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and relevant Governmental Accounting Standards Board (GASB) Statements. We will also apply the necessary procedures to prepare the reports as requested in the RFP and noted in our cost proposal.

As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements, as listed in the RFP, in accordance with GAAP. We will also issue a report on internal controls over financial reporting and on compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. It is our commitment to the LAFCO that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact. We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners/reviewers have 82 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.
- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will attend all conferences and meetings and will supervise the audit directly during each year and phase of the engagement.
- We offer flexible staffing and scheduling. We can send a full team onsite, work 100% remotely, or send a small team on site to minimize COVID-19 exposure. All of our team members are vaccinated and will follow your policies in regard to COVID-19.



Chavan and Associates, LLP
Certified Public Accountants

- To improve the efficiency of the audit process, we use online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.

We have a full-time IT manager on staff that is available to assist throughout the audit. All of our partners and staff are familiar with software utilization and data extraction. We also focus on the management of user ID's, passwords, and password authentication tools. Finally, when performing test of controls, we look for controls that will prevent email scams, such as requests to change remittance advice for a vendor's invoice.

While most of our clients prefer digitally published reports in pdf format, we have invested in HP color printers, binding machines and binding supplies, to provide professional bound reports to clients whom still appreciate a printed report. Our team has been printing, binding and publishing ACFR's and similar reports for over forty years; beginning with Jeff Ira back in the 1980's.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Supervisor, one Professional Staff and one Administrative Staff. The Engagement Partner, one Senior and two Staff will be assigned to visit your offices, as feasible with regard to COVID-19 circumstances.

Sheldon Chavan and Paul Pham are the partners authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 120 days. We look forward to being of service to you.

Very truly yours,

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

Section A

Firm Qualifications & Experience

Section A - Firm Qualifications & Experience

LAFCO Proposal for Auditing Services

Independence

C&A is independent of the LAFCO and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office's Government Auditing Standards**. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the LAFCO, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our stat number is PAR 7294.

Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)
Address: 15105 Concord Circle, Suite 130, Morgan Hill, CA 95037
Office: 408-217-8749
Fax: 408-872-4159
E-mail: Sheldon@cnallp.com
CA File Number: 202009218003
FEIN: 27-0630496
Authorized to Sign: Sheldon Chavan, Partner; Paul Pham, Partner

Our partners and reviewers have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller's Office Minimum Audit Requirements for a combined 82 years; Sheldon for 25 years, Jeff Ira for 41 years, and Paul Pham for 16 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports (**ACFRs**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA and CSMFO**. Most recently, C&A **prepared ACFRs** for the City of El Cerrito, City of Oroville, City of Suisun, Town of Los Gatos, and City of Carmel-by-the Sea for the year ending June 30, 2023. Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.

*Single Audit
Experience*

Section A - Firm Qualifications & Experience

LAFCO Proposal for Auditing Services

After starting the firm with only 9 clients in 2009, we currently have approximately **200 government, nonprofit and grant engagements** covering about 109 clients, 43 of which were required to have a single audit under uniform guidance in the last audit season. Our firm's experience includes numerous audits under state and federal compliance audit guides, including the Minimum Audit Requirements and Reporting Guidelines for Cities as required by the State Controller's Office. **What makes us unique from other audit firms** is that we eliminate "on-the-job" training through intensive in-house training, audit planning, and by having partners in the field throughout the entire engagement (not just "spot-checking"). The daily interaction with our Engagement Partner has been invaluable to our clients as it provides the opportunity for immediate feedback and the chance to ask questions related to accounting, account coding, grant requirements, ACFR requirements, budgeting, and much more. Auditing is the main focus of our practice and we are available to start as early as February 1st, however **our calendar is flexible**.

C&A is also a member of the [AICPA's Government Audit Quality Center](#) which promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

Firm Size, Staff Size, Location and Staffing

We also have **fourteen** professional, full-time staff in addition to our partners and two administrative staff that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the LAFCO's audit will include the following professionals (audit experience):

Sheldon Chavan, CPA, Managing Partner (25 years)

Jeff Ira, Independent Reviewer (41 Years)

Paul Pham, CPA, Associate Partner (16 years)

Niru Machiraju, Supervisor (6 years)

Andrew Quintero, Senior Auditor (5 years)

Matthew Ojeda, Senior Auditor (7 years)

One of the professional staff could change from year to year. The LAFCO will be notified of any staff changes prior to fieldwork. The Engagement Partner, manager, and supervisor will be the same during each year of the engagement.

Section A - Firm Qualifications & Experience

LAFCO Proposal for Auditing Services

Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Nonprofit Tax
Local Education Agencies	33	30%	100%	0%	0%
Charter Schools	13	12%	100%	0%	100%
Non-profit Organizations	22	20%	91%	0%	68%
Cities and Towns	13	12%	85%	0%	0%
Special Districts	19	17%	84%	16%	0%
Privately Held	9	8%	67%	22%	0%

	GAAS Audit	GAGAS Audit	Single Audit	Bond Audit	EAAP Audit
Percent by Service Type	93%	75%	39%	19%	41%

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Subcontractor

C&A will not be engaged with any subcontractors during this engagement.

Business Licenses

C&A will obtain and maintain a valid business license throughout the duration of the contract, as applicable.

Quality Control Review

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards. There were no desk reviews or disciplinary action in the last 3 years.

Section B

Specific Audit Approach

Section B - Specific Audit Approach

LAFCO Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the LAFCO's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

Three Phase Audit Approach

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and the Finance Commission to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least six weeks prior to the beginning of this phase, we intend to provide the LAFCO with a link to Engagement Organize ("EO")r detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will updated during the year. The LAFCO will be able to leave notes on each item, upload attachments and message our team through EO.

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

Internal Controls Documentation

- Inquiries of appropriate management and staff personnel.
- Inspection of the LAFCO's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the LAFCO's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the LAFCO's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamation, QuickBooks, Digital Schools, **SunGuard**, Escape, FUNDS\$, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 40% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

Section B - Specific Audit Approach

LAFCO Proposal for Auditing Services

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the LAFCO. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your LAFCO's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 25 to 60** items and be randomly selected. Our sampling methods vary depending

Sampling Methods

on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer

information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Analytical Procedures & Laws and Regulations

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the LAFCO and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 40% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of field work. This, in combination of the automation provided by **Prosystems Engagement** will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the LAFCO's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can

Section B - Specific Audit Approach

LAFCO Proposal for Auditing Services

also auto link tables, charts and other documents the LAFCO would like to generate. **All of this information can be shared through our online secure lockbox/filesshare website at www.cnallp.com** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of LAFCO staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 20% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the LAFCO will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the LAFCO at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the LAFCO, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with LAFCO staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the LAFCO Commission.

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

Section B - Specific Audit Approach

LAFCO Proposal for Auditing Services

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the LAFCO.

As we obtain knowledge about the LAFCO, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the LAFCO will have access to all our resources.

Client References and Similar Engagements

Entity Name	Bay Area Water Supply & Cons Agency	Sonoma Valley Fire District	Midpeninsula Regional Open Space
Contact Person	Deborah Grimes	Steve Akre	Rafaela Ocegüera
Title	Finance Manager	Fire Chief	Budget & Finance Manager
Address	155 Bovet Rd., Ste 650, San Mateo, CA 94402	630 2nd St W, Sonoma, CA 95476	5050 El Camino Real, Los Altos, CA 94022
Phone	650-349-3000	707-996-2102	650-625-6587
E-mail	DGrimes@bawasca.org	SteveA@sonomavalleyfire.org	rocegüera@openspace.org
Partner	Paul Pham	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	No	Yes
Type:	Special District	Special District	Special District
Scope of Work	Revenue Bond Audit GAGAS Audit SCO Min Audit Req Review SCO Report SAS 114 Report Management Letter Year Round Consultation	GAGAS Audit SCO Min Audit Req GASB 34 Reconciliation SAS 114 Report Management Letter Year Round Consultation	ACFR GO Bond Audit GAGAS Audit SCO Min Audit Req GASB 34 Reconciliation SAS 114 Report Management Letter Year Round Consultation

Summary of Staff Hours by Phase

Level of Staff	Phases		Total Hours
	I & II	III	
Engagement Partner	12	12	24
Associate Partner	2	2	4
Supervisor	32	16	48
Professional Staff	40	8	48
Administrative Staff	2	2	4
Totals	88	40	128

Section B - Specific Audit Approach

LAFCO Proposal for Auditing Services

Summary Timeline

Segment	Estimated	Phase
Entrance Conference	TBD	I
Audit Planning C&A's Office	TBD	I
List of Items Required by Client and Audit Plan	TBD	I
Preparation and Mailing of Confirmation Letters to 3rd Parties	TBD	I/II
Year-end Field Work	TBD	I/II
Exit Conference	TBD	I/II
Progress List of Management Point and Recommendations	TBD	I/II
Final List of Management Point and Recommendations	TBD	I/II
Audit Adjustments	TBD	I/II
Draft Reports, Financials, Management Letters	TBD	III
Final Reports, Financials, Management Letters	TBD	III
Board, Committee & Public Presentations	As Needed	III

Special District Client List (Subset of 114 Clients)

Special Districts	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District		✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Lake Canyon Community Services District		✓	✓				
Midpeninsula Regional Open Space District		✓	✓	✓			
Mid-Peninsula Water District						✓	
North County Library Authority		✓	✓				
Purissima Hills Water District						✓	
Ross Valley Sanitary District	✓	✓	✓				
Sausalito-Marín City Sanitation District		✓	✓	✓			
Stege Sanitary District		✓	✓				
South San Francisco Conference Center		✓	✓				
The Cities' Group		✓	✓				
Tres Pinos Water District		✓	✓				
Valley of the Moon Fire District		✓	✓	✓			
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
West Valley Clean Water Authority		✓	✓				
Westborough Water District						✓	

Section C

Scope of Services

Section C - Scope of Services

LAFCO Proposal for Auditing Services

Audit Scope

We understand, accept and have included in our work plan the following scope of services to prepare an Annual Comprehensive Financial Report (ACFR) that addresses the following tasks:

- A.** Independent Auditor's Reports for the LAFCO on the fair presentation of the financial statements in conformity with generally accepted accounting principles based upon audits of the Basic Financial Statements of the LAFCO.

- B.** The other supplementary information listed in the Table of Contents in the LAFCO's ACFR, including combining schedules and additional budgetary comparison schedules, are not a required part of the basic financial statements, however, C&A is to provide a report on the combining and individual fund financial statements and supporting schedules. The information presented shall be based on the auditing procedures applied during the audits of these basic financial statements.

- C.** Management and Statements on Auditing Standards (SAS) 114 Letters, which include findings, statements, observations, opinions, comments, or recommendations, related to:
 - 1. Systems of internal control based upon C&As' understanding of the control structure and assessment of control risk.
 - 2. Compliance with applicable laws and regulations.
 - 3. Accounting systems, functions, procedures and processes, especially with regard to cost effectiveness.

- D.** Management and SAS 114 Letters.

- E.** To meet the requirements of this request for proposal, these audits are to be performed in accordance with all applicable and generally accepted auditing standards including, but not limited to: the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), and in the General Accounting Office's (GAO) Government Auditing Standards.

- F.** All working papers and reports must be retained, at C&A's expense, for a minimum of five (5) years following completion of the audit, unless the firm is notified in writing by the LAFCO of the need to extend the retention period. C&A will be required to make working papers available, upon request, to the following parties or their designees:
 - 1. Parties designated by the federal or state governments or by the LAFCO as part of an audit quality review process.
 - 2. Auditors of entities of which the LAFCO of Capitola is a sub-recipient of grant funds.
 - 3. State of California, Office of the State Controller.

Section C - Scope of Services
LAFCO Proposal for Auditing Services

- G.** In addition, C&A shall respond to the inquiries of successor auditors and allow successor auditors to review working papers relating to matters of accounting significance.

Section D

Partner, Supervisory and Staff Resumes

Section D - Partner, Supervisory and Staff Resumes

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We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2022 and 2023 audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the LAFCO. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The LAFCO retains the right to approve or reject replacements.

Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, Town of Lost Gtos and the City of Albany for the fiscal years ended June 30, 2023 (partial listing).

ACFR
Preparation

Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as ARPA, CARES Act, National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the LAFCO with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

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LAFCO Proposal for Auditing Services

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon's recent continuing professional education:

Description of Program/Training
Yellow Book: Revised Government Auditing Standards
Government Auditing Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Center Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

Section D - Partner, Supervisory and Staff Resumes

LAFCO Proposal for Auditing Services

The following is a **partial list** of Sheldon's clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyvale	Sausalito-Marín City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Regional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unified	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

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LAFCO Proposal for Auditing Services

Jeffrey J. Ira, CPA

Independent Reviewer, (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Jeffrey is a graduate of Humboldt State University with a B.S. in Business with a concentration in Accounting. He is a CPA licensed in California, a member of the AICPA, the California Society of CPAs, the GFOA and the CSMFO. Jeff joined our firm in 2017 and has been auditing local governments since 1981. Jeff is a member of the GFOA Special Review Committee, with responsibility for reviewing ACFRs for award of the Certificate of Excellence in Financial Reporting. **Jeff served as a Councilmember and the Mayor for Redwood City.** He has also served on various local governing boards and committees, which makes him acutely aware of both your financial and management needs. Jeff will be responsible for concurrent review of your audit, which is a quality control measure designed to ensure the audit is completed effectively and in compliance with governmental auditing standards, compliance requirements and uniform guidance requirements.

Jeff has forty years of professional experience and has participated in a variety of auditing and consulting engagements with cities, school districts, and special districts including the following (partial listing):

Cities and Towns	Special Districts	School Districts/COE's
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified
City of Oroville	East Bay Dischargers Authority	Cotati Rohnert Park
City of Point Arena	Half Moon Bay Fire Protection	La Honda Pescadero
City of Saratoga	Los Trancos Water District	Lassen View Elementary
City of Sonoma	Menlo Park Fire Protection	Las Lomas Elementary
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary
Town of Los Gatos	Point Montara Fire Protection District	Luther Burbank
City of Pittsburg	Santa Clara Regional Open Space Auth	Redwood City Elementary
City of San Rafael	Saratoga Cemetery District	Menlo Park City
City of Concord	South Bayside Systems Authority	Millbrae Elementary
City of Salinas	South San Francisco Conf. Ctr.	Santa Cruz City
City of Sunnyvale	Tahoe Regional Planning Agency	Mountain View Whisman
City of San Carlos	The Cities Group	Orchard School District
City of South San Francisco	West Bay Sanitary District	Burlingame
City of Marina	West County Wastewater District	Jefferson Union High
City of San Bruno	Westborough Water District	Portola Valley Elementary
City of Campbell	Woodside Fire Protection District	Red Bluff
City of Novato	Highland Recreation	San Bruno Park
Town of Atherton	Coast side Water District	San Mateo County Office
City of Cupertino		Sequoia Union High
		Sonoma Valley Unified
		San Mateo Unified
		Ravenswood Elementary
		Windsor Unified
		Woodside Elementary

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LAFCO Proposal for Auditing Services

A summary of Jeff's recent professional education includes:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

Section D - Partner, Supervisory and Staff Resumes

LAFCO Proposal for Auditing Services

Paul Pham, CPA

Associate Partner (AICPA, CalCPA)



Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Credo High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Regional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

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LAFCO Proposal for Auditing Services

Niru Machiraju

Audit Supervisor

Niru received her Bachelor and Master of Science in Accounting from the University of Saint Thomas. Niru has been working in public accounting since 2017 and has completed six audit seasons. During the 2022 audit season, she completed the financial and compliance audits for the entities listed below and has additional experience in the manufacturing, distribution, and non-profit industries. Niru has audited over sixty local governments and nonprofits since 2017. Besides the standard control documentation and substantive testing required for GAAS audits, Niru has performed audits and prepared reports under GAGAS and Uniform Guidance. She has also audited Federal grants from various agencies, including HUD and the Department of Education (Title I, Special Education) and much more.

Niru's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Niru's clients over the past year:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Carmel-by-the-Sea	Chico Area Recreation and Park District	Burlingame	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Lake Canyon Community Services District	Cabrillo Unified	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Ross Valley Sanitary District	Hillsborough City	Crede High School
City of Point Arena	Santa Clara Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of Rocklin	South San Francisco Conf. Ctr.	Lassen View Elementary	Mission Charter
City of Saratoga	Steger Sanitary District	Los Altos Elementary	NASA AMES Exchange
City of Marina	Suasalito-Marin City Sanitation District	Luther Burbank	Pathway to Choices
City of Suisun City	The Cities Group	Millbrae Elementary	Peninsula Conflict Resolution Center
	Valley of the Moon Fire	Orchard	Redwood City Education Foundation
	West Bay Sanitary District	Pacifica	Stone Bridge Charter School
	Westborough Water District	Red Bluff	Work2future Foundation
		San Bruno Park	Stone Bridge Charter School
		San Carlos Elementary	
		San Lorenzo Valley Unified	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Woodside Elementary	

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LAFCO Proposal for Auditing Services

Andrew Quintero

Senior Auditor

Andrew has successfully completed five seasons of governmental auditing. Andrew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and cities. He has been the Senior Auditor in-charge of clients such as the Town of Yountville, City of Suisun City, Fairfield-Suisun Sanitary District and many more. Besides the standard control documentation and substantive testing required for GAAS audits, Andrew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Andrew's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Andrew's clients:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Oroville	Bay Area Water Supply Conservation Agency	Jefferson Union High School District	Peninsula Conflict Resolution Center
City of Pacific Grove	Castro Valley Sanitary District	John Swett Unified School District	Redwood City Education Foundation
City of Point Arena	El Dorado Hills Community Services District	Las Lomas School District	San Mateo County Exposition and Fair Association
City of Rocklin	Lake Canyon Community Services District	Lassen View Union Elementary School District	Sonoma Valley Hospital Foundation
City of Saratoga	Midpeninsula Regional Open Space District	Los Altos School District	The Moca Foundation
City of Suisun City	Purissima Hills Water District	Luther Burbank School District	The San Jose Library Foundation
Town of Yountville	Ross Valley Sanitary District	Menlo Park City School District	
	Santa Clara County Regional Open Space Auth	Millbrae School District	
	Sausalito-Marin City Sanitation District	Mountain View Whisman School District	
	Stege Sanitary District	Napa Valley Unified School District	
	Silicon Valley Clean Water	Orchard School District	
	South San Francisco Conference Center	Pacifica School District	
	The Cities' Group	Red Bluff Joint Union High School District	
	Valley of the Moon Fire District	Red Bluff Union Elementary School District	
	West Bay Sanitary District	Roseland Elementary School District	
	West Valley Sanitation District	San Bruno Park School District	
	Westborough Water District	San Carlos School District	
		San Lorenzo Valley Unified School District	
		San Mateo Foster City School District	
		San Rafael City Schools	
		Santa Rosa City Schools	
		Woodside Elementary	

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LAFCO Proposal for Auditing Services

Matthew Ojeda

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. Starting in public accounting in 2014, he has successfully completed seven seasons of governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and school districts. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Matthew's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Matthew's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Del Rey Oaks	Castro Valley Sanitary District	Antelope Elementary	Boys and Girls Club of Central Sonoma County
City of Oroville	Central Marin Sanitation Agency	Burlingame	Boys and Girls Clubs of Sonoma Valley
City of Pacific Grove	Fairfield-Suisan Sanitation District	Cabrillo Unified	Credo High School
City of Point Arena	Midpen Regional Open Space Auth	Cotati Rohnert Park	Diagnostics for the Real World
City of Rocklin	Oro Loma Sanitary District	Golden Valley Unified	Mission Language and Vocational School
City of Saratoga	Santa Clara Regional Open Space Auth	Hillsborough City	Morgan Hill Charter Foundation
City of Suisun City	Saratoga Cemetery District	Las Lomitas Elementary	Morgan Hill Charter School
Town of Los Gatos	Sausalito-Marin City Sanitation District	Lassen View Elementary	Orange County Charter School
	Silicon Valley Clean Water	Los Altos Elementary	Organic Farming Research Foundation
	The Cities Group	Luther Burbank	Prohealth Homecare
	West Valley Sanitation District	Millbrae Elementary	Redwood City Education Foundation
		Mission Preparatory School	San Jose Conservation Charter
		Mountain View Whisman	San Jose Conservation Corps
		Napa Valley Unified	San Mateo County Exposition Fair Association
		Orchard	Sociometrics
		Pacifica	Work2future Foundation
		Palo Alto Unified	
		Portola Valley Elementary	
		Red Bluff	
		Roseland Charter	
		Roseland Elementary	
		San Bruno Park	
		San Carlos Elementary	
		San Lorenzo Valley Unified	
		San Mateo County Office	
		San Mateo Foster City	
		Santa Rosa City School	
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		South San Francisco Unified	
		Union School District	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Resumes

LAFCO Proposal for Auditing Services

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups.

All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

Attachments



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 18, 2021

To the Partners of Chavan & Associates, LLP
and the Peer Review Committee
of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements are identified as not having been performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707

Tel: 949-777-8800 • Fax: 949-777-8850

www.pungroup.cpa

ATTACHMENT D

To the Partners of Chavan & Associates, LLP
and the Peer Review Committee
of the California Society of Certified Public Accountants
Page 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Chavan & Associates, LLP has received a peer review rating of *pass*.

The Peer Group, LLP

Santa Ana, California


FEES SUMMARY

FOR THE ANNUAL INDEPENDENT AUDIT

OF THE

LAFCO

Submitted March 22, 2024



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

Fees Summary

LAFCO Proposal for Auditing Services

Date: March 22, 2024

Firm: Chavan & Associates, LLP (C&A)
 15105 Concord Circle, Suite 130
 Morgan Hill, CA 95037
 Phone: (650) 346-1329

Contact Person: Sheldon Chavan, Managing Partner
 Sheldon@cnallp.com
 650-346-1329

Price per Year by Service Level:

Services	Hours	2024	2025	2026	2027	2028	2029
El Dorado	128	\$ 13,500	\$ 13,500	\$ 13,500	\$ 14,000	\$ 14,500	\$ 15,000
Fresno	128	13,500	-	13,500	-	14,500	-
Marin	128	-	13,500	13,500	14,000	14,500	15,000
Mendocino	100	10,500	10,500	10,500	11,000	11,500	12,000
Santa Barbara	100	10,500	10,500	10,500	11,000	11,500	12,000
Santa Cruz	128	13,500	13,500	13,500	14,000	14,500	15,000
GASB implementation and guidance	N/A	Included	Included	Included	Included	Included	Included
Printing and binding	N/A	Included	Included	Included	Included	Included	Included
Present Reports to Council and Committees	N/A	Included	Included	Included	Included	Included	Included
Meals, Lodging and Transportation	N/A	Included	Included	Included	Included	Included	Included
Total All-Inclusive Maximum Price	712	\$ 61,500	\$ 61,500	\$ 75,000	\$ 64,000	\$ 81,000	\$ 69,000

Certification: I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the LAFCO on behalf of C&A.



Managing Partner

March 22, 2024

Signature

Title

Date

Sheldon Chavan

Name

Fees Summary

LAFCO Proposal for Auditing Services

Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following is our standard fee schedule for our audit personnel and estimated hours per engagement.

	Hourly Rates	Hours						
		El Dorado	Freno	Marin	Mendocino	Santa Barbara	Santa Cruz	
Engagement Partner	\$ 250	24	24	24	20	20	24	
Associate Partner/Reviewer	200	4	4	4	4	4	4	
Supervisor	100	48	48	48	32	32	48	
Professional Staff	90	48	48	48	40	40	48	
Administrative Staff	85	4	4	4	4	4	4	
Total Hours		128	128	128	100	100	128	

Manner of Payment

Progress payments will be made on the basis of pro-rated audit work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with our proposal.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to City approval. **Rates for additional services would be the same as those identified under the quoted hourly rates above.**

**SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of August 1, 2024 by and between the Santa Barbara Local Agency Formation Commission, a public agency organized and operating under the laws of the State of California with its principal place of business at 105 E. Anapamu Street, Santa Barbara, CA 93101 (“Commission”), and Davis Farr LLP, a Limited Liability Partnership with its principal place of business at 5927 Priestly Drive Suite 201, Carlsbad, CA 92008 (hereinafter referred to as “Consultant”). Commission and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. Commission is a public agency of the State of California and is in need of professional services for the following project:

Auditing services and Annual Comprehensive Financial Report for the year ending June 30, 2024 through 2029 (hereinafter referred to as “the Project”).

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Commission to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Commission with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. Subject to paragraph 2(b) below, the Commission shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$11,875 (FY2024), \$12,465 (FY 2025), \$13,090 (FY 2026), \$13,740 (FY 2027), \$13,740 (FY 2028), and \$13,740 (FY 2029). This amount is to cover all printing and related costs, and the Commission will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Commission, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the Commission by

Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Commission and executed by both Parties before performance of such services, or the Commission will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by Commission.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the Commission to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within proposed timing outlined in Section H "Activity Schedule" as Exhibit C. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither Commission nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the Commission, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Commission, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of Commission. No employee or agent of Consultant shall become an employee of Commission. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from Commission as herein provided.

11. Insurance. Consultant shall not commence work for the Commission until it has provided evidence satisfactory to the Commission it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Commission.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted

- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give Commission, its officials, officers, employees, agents and Commission designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Commission, and provided that such deductibles shall not apply to the Commission as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Commission.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give Commission, its officials, officers, employees, agents and Commission designated volunteers additional insured status.

(iv) Subject to written approval by the Commission, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the Commission as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the

period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the Commission and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the Commission evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the Commission or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the Commission, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Commission, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the Commission and shall not preclude the Commission from taking such other actions available to the Commission under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Commission, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement.

(iii) The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the Commission nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold the Commission, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Commission, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of

competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the Commission. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Barbara, State of California.

16 Termination or Abandonment

a. Commission has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, Commission shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Commission shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Commission and Consultant of the portion of such task completed but not paid prior to said termination. Commission shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Commission only in the event of substantial failure by Commission to perform in accordance with the terms of this Agreement through no fault of Consultant.

17 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the Commission.

18. Organization

Consultant shall assign Shannon Ayala, CPA as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the Commission.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

COMMISSION:

Santa Barbara Local Agency Formation
Commission

Address 105 E. Anapamu Street

Santa Barbara, CA 93101

Attn: Mike Prater, Executive Officer

CONSULTANT:

Davis Farr, LLP

1903 Wright Place, Suite 280

Carlsbad, CA 92008

Attn: Shannon Ayala

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Commission and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of Commission and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Commission. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. Commission's Right to Employ Other Consultants

Commission reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
AND DAVIS FARR, LLP**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION AND DAVIS FARR, LLP

By: _____ By: Shannon Ayala
Name
Chair
Its: Partner
Printed Name: Shannon Ayala

ATTEST:

By: _____
Commission Clerk

APPROVED AS TO FORM:

LAFCO COUNSEL

By: Amber Holderness
Amber Holderness
LAFCO Counsel

RISK MANAGEMENT

By: Greg Milligan
Greg Milligan
RISK MANAGER

EXHIBIT A

Scope of Services

Consultant shall provide the following services:

1) Audit

- a. Consultant will perform an independent audit of all funds of LAFCO. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller of the United States.
- b. The Commission's Basic Financial Statements will be prepared and word-processed by the Consultant in full compliance with generally accepted accounting principles.
- c. The Consultant will render their auditors' report on the Basic Financial Statements that will include both Government-Wide Financial Statements and Fund Financial Statements.
- d. The Consultant will also apply limited audit procedures to Management's Discussion and Analysis ("MD&A"), consisting of the control environment, accounting systems and control procedures, and required supplementary information pertaining to the General Fund and each major fund of the Commission.

2) Management Letter

- a. The Consultant will issue a separate "management letter" that includes recommendations to the governing board for improvements in internal control that are considered to be nonreportable conditions.

LAFCO will provide the following services:

The LAFCO staff will provide normal cooperation and assistance during the audit including typing of confirmation requests, referral to the appropriate person and/or department for supporting documents and reconciliations of major asset and liability balances. LAFCO staff will prepare the MD&A and transmittal letters based on a template supplied by the Consultant. All other information and financial statements are the responsibility of the Consultant. All working papers and reports are to be retained at the Consultant's sole expense for a minimum of seven (7) years. Consultant will be responsible for making working papers available to LAFCO or any other appropriate government agency.

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice Commission on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform Commission regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

Fee Schedule for DAVIS FARR, LLP The following fee schedule shall apply for additional consulting services of the fiscal year ending on June 30, 2024, and June 30, 2025, and June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029:

<i>Partner</i>	<i>\$250</i>
<i>Manager</i>	<i>180</i>
<i>Supervisor/Senior</i>	<i>130</i>
<i>Staff</i>	<i>110</i>

Consultant shall bill LAFCO only for the actual hours incurred in performing the services required under this Agreement, in accordance with the fee schedule set forth above, and subject to the provisions of Section 2 of this Agreement.

EXHIBIT C

Activity Schedule

Timetable of Audit Work and Deliverable Reports to be performed for the Fiscal Year ending on June 30, 2024 through June 30, 2029 for each fiscal year.

Consultant shall be responsible for performing the audit for the fiscal year ending on June 30, 2024 through June 30, 2029, in accordance with Exhibit "A" and preparation and word processing of the following financial statements:

Report Description	Number of Copies	Due Date of Each Audit Year
Basic Financial Statements	1 photo ready 1 hard copy (Final audit)	No later than October 30th of every year

A draft copy of the Basic Financial Statements should be delivered to the LAFCO Executive Officer for review approximately 10 days prior to the deadline noted above. The audit shall begin no earlier than December 1 of each year and be completed no later than October 30, following the fiscal year audited (e.g. begin no earlier than December 1st and completed in time to meet the deadline established by LAFCO for the audit of each fiscal year).

BUSINESS ITEM #2

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consider Nominations for the 2024/25 CALAFCO Board of Directors and Selection of voting delegates for the CALAFCO Business Meeting to be held at the CALAFCO Annual Conference

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission: 1) Consider Nominations for the 2024/25 CALAFCO Board of Directors and provide direction to staff, and 2) Determine Voting Delegates for 2024 CALAFCO Elections.

DISCUSSION

The attached letter from CALAFCO Executive Director René LaRoche announces that nominations are now open for the fall elections for the CALAFCO Board of Directors. The Nomination Packet is attached. Any LAFCO commissioner or alternate Commissioner is eligible to run for an open Board seat. The Coastal Region openings are for County Member and Special District Member. Nominations will be accepted until Monday, September 16, 2024.

Secondly, every Commission needs to assign voting delegates for CALAFCO 2024 elections. The election for members of CALAFCO Board of Directors, bylaws changes, etc take place each year at the CALAFCO Annual Conference. The Commission should assign a voting delegate and an alternate.

Attachments

Attachment A – René LaRoche's Recruitment and Nomination Letter

Attachment B – 2024/25 CALAFCO Board Recruitment and Nomination Packet

Attachment C – CALAFCO Voting Delegate and Alternate Form

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M Prater".

Mike Prater

Executive Officer

From: Rene LaRoche <rlaroch@calafco.org>
Sent: Tuesday, May 21, 2024 12:31 PM
To: Info
Subject: Board Nominations Now Open
Attachments: 2024 Board Recruitment and Nomination Packet.pdf; Nomination and Resume Forms.docx; 2024 CALAFCO Voting Delegate Designation Form.docx

Good afternoon, everyone.

This is to announce, on behalf of the CALAFCO Elections Committee, that the Nomination period is now open for the fall CALAFCO Board of Directors elections for the following seats:

CENTRAL REGION	COASTAL REGION	NORTHERN REGION	SOUTHERN REGION
County Member District Member	County Member District Member	City Member Public Member	City Member Public Member

The elections will be held during the regional caucuses that occur prior to the Annual Membership Meeting, which is scheduled for Thursday, October 17, 2024 at the Tenaya Lodge in Fish Camp, California, outside of Yosemite National Park.

Complete details of the nomination process, including all deadlines, are contained in the attached memo from Kenneth Leary, the Elections Committee Chair. Please share this document with your Commissioners.

Also, please make note that **Monday, September 16, 2024** is the deadline when the following election materials must be returned:

- Completed Nomination Packets
- Requests for an Absentee/Electronic Ballot, and
- LAFCO designations of voting delegate (using attached form)

If you have any questions about the attached instructions and forms, or the election process, please contact me at rlaroch@calafco.org.

Thank you and have a wonderful day!

René LaRoche (*She/Her/Hers*)
CALAFCO Executive Director



1451 River Park Drive, Suite 185, Sacramento, CA 95815-4520
916-442-6536
www.calafco.org

Date: May 21, 2024

To: Local Agency Formation Commission Members and Alternate Members

From: Kenneth Leary, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

RE: Nomination Period Now Open for 2024/2025 CALAFCO Board of Directors



The Nomination Period is now open for the fall elections of the CALAFCO Board of Directors for the following seats:

CENTRAL REGION	COASTAL REGION	NORTHERN REGION	SOUTHERN REGION
County Member	County Member	City Member	City Member
District Member	District Member	Public Member	Public Member

Please inform your Commission that the CALAFCO Election Committee will be accepting nominations for the above-cited seats until:

MONDAY, SEPTEMBER 16, 2024

Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal, and operational issues that affect us all. The Board meets four to five times each year, generally virtually. However, strategic plan retreats and other meetings may be scheduled in-person and will alternate around the state. A job description is attached that more fully discusses director responsibilities and time commitment.

Board terms span a two-year period, with no term limits, and any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat.

Elections will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 17, 2024 at the Tenaya Lodge in Fish Camp, California.

Should your Commission nominate a candidate, please return the completed Nomination Form and Candidate's Résumé Form by the deadline. Completed nomination forms and all materials must be RECEIVED by CALAFCO by the deadline.

Electronic filing of nomination forms is ***highly encouraged*** to facilitate the recruitment process. Please email to info@calafco.org. However, hard copy forms and materials may also be mailed to:

Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1451 River Park Drive, Suite 185
Sacramento, CA 95815

Complete nominations received by the September 16th deadline will be included in the Election Committee’s Report that will be distributed to LAFCO members. Candidate names will be listed in the report, and on the ballot, in the order nominations are received. The Election Committee Report will be distributed no later than October 3, 2024, with ballots made available to Voting Delegates at the Annual Conference.

Nominations received after the deadline will be returned; however, nominations may be made from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCOs who cannot send a representative to the Annual Meeting, an electronic ballot will be made available *if requested in advance*. **Ballot requests must also be received no later than Monday, September 16, 2024, with completed absentee ballots due by no later than Thursday, October 10, 2024.**

NOMINATION/ELECTION PROCESS DEADLINES AND TIMELINES

- **May 21** – Nomination Announcement and packet sent to LAFCO membership and posted on the CALAFCO website.
- **September 16** – Completed Nomination packet due
- **September 16** – Request for an absentee/electronic ballot due
- **September 16** – Voting delegate name due to CALAFCO
- **October 3** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 3** – Distribution of requested absentee/electronic ballots.
- **October 10** – Absentee ballots due to CALAFCO
- **October 17** - Elections

If you have any questions about the election process, please contact CALAFCO Executive Director René LaRoche at rlaroche@calafco.org or by calling 916-442-6536.

Members of the 2024/2025 CALAFCO Election Committee are:

Kenneth Leary, Committee Chair	Napa LAFCO (Coastal Region)
Bill Connelly	Butte LAFCO (Northern Region)
Kimberly Cox	San Bernardino LAFCO (Southern Region)
Anita Paque	Calaveras LAFCO (Central Region)

To assist you in this consideration, you will find attached for your reference a copy of the CALAFCO Board Member Job Description, the CALAFCO Board of Directors Nomination and Election Procedures and Forms, and the current listing of Board Members and corresponding terms of office.

I sincerely hope that you will consider joining us!

Attachments.



Board Member Job Description

California Association of Local Agency Formation Commissions (CALAFCO) Member of the Board of Directors

Mission

As a 501(c)(3) nonprofit organization, CALAFCO supports LAFCOs by *promoting efficient and sustainable government services based on local community values through legislative advocacy and education.*

For more information, please see CALAFCO's website at www.calafco.org.

Values

The underlying values that define our organization are: *dependability, efficiency, honesty, and transparency.*

Duties

Board members have the following legal duties:

1. **Duty of Care:** *Ensuring prudent use of all assets including financial, facility, people, and good will.*
2. **Duty of Loyalty:** *Ensuring that the association's activities and transactions are, first and foremost, advancing its mission; Recognizing and disclosing conflicts of interest; Making decisions that are in the best interest of the association and not in the best interest of an individual board member, or any other individual or entity.*
3. **Duty of Obedience:** *Ensuring that the association obeys applicable laws and regulations; follows its own bylaws and policies; and that it adheres to its stated corporate purposes/mission.*

Position

The Board is a governing body and is expected to support the work of CALAFCO by providing mission-based leadership and strategic governance. While day-to-day operations are led by CALAFCO's Executive Director (ED), the Board-ED relationship is a partnership and the appropriate involvement of the Board is both critical and expected. Board Members are tasked with the Leadership, Governance, and Oversight of the association. Responsibilities include, but are not limited to:

- Representing CALAFCO to stakeholders; acting as an ambassador for the organization to regional members and California legislators.

- Approving policies that provide the appropriate authority and guidance for/to the ED in the administration of the organization.
- Serving as a trusted advisor to the ED.
- Participating in strategic planning retreats.
- Reviewing agenda and supporting materials, and communicating question to the Executive Director, prior to board and committee meetings.
- Weighing the organization’s outcomes against strategic plan initiatives.
- Approving CALAFCO’s annual budget, financial reports, and business decisions; being informed of, and meeting all, legal and fiduciary responsibilities.
- Assisting the ED and board chair in identifying and recruiting other Board Members to ensure CALAFCO’s commitment to a diverse board and staff that recognizes the differing perspectives among LAFCOs.
- Partnering with the ED and other board members to ensure that board resolutions are carried out.
- Serving on committees or task forces and taking on special assignments, as needed.

Board Terms/Expected Participation

CALAFCO’s Board Members are elected during regional caucuses held at the association’s annual meeting, and serve two-year terms.

Regular board meetings are held quarterly, special meetings are called as needed, strategic planning retreats are held every two years, committee meetings are called at different times during the year, and legislative canvassing in Sacramento may be needed. Two absences, within a calendar year, from any regularly scheduled board meetings constitutes a resignation of the Board member.

Qualifications

Board Members must be seated LAFCO Commissioners at their local level.

This is an extraordinary opportunity for an individual who is passionate about the importance of the role that LAFCOs play in the sustainable growth of a region, and who has a track record of leadership. His/her accomplishments will allow him/her to interface effectively with the state legislature, as well as attract other well-qualified, high-performing Board Members.

Remuneration

Service on CALAFCO’s Board of Directors is without remuneration. Administrative support, travel, and accommodation costs are typically provided by a director’s home LAFCO.



Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.
- b. The Board Chair shall appoint one of the members of the Election Committee to serve as Committee Chair. The CALAFCO Executive Director shall either serve as staff to the Election Committee or appoint a CALAFCO regional officer to serve as staff in cooperation with the Executive Director.
- c. Each regional officer shall serve as staff liaison to the Election Committee specifically to assist in conducting the election as directed by the Executive Director and Committee.
- d. Goals of the Committee are to encourage and solicit candidates by region who represent member LAFCOs across the spectrum of geography, size, and urban-suburban-rural population, and to provide oversight of the elections process.

2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

- a. No later than four months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCO for distribution to each commissioner and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCOs listed by region.
 - iii. The specific date by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCO marked "Received too late for Election Committee action."
 - iv. The names of the Election Committee members and the name of their LAFCO, regional representation, email address and phone number. The name, email address and phone number of the Executive Director shall also be included.
 - v. The email address and physical address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
 - vii. The specific date by which all voting delegate names are due.
 - viii. The specific date by which absentee ballots must be requested, the date CALAFCO will

Key Timeframes for Nominations Process	
Days*	
120	Nomination announcement
30	Nomination deadline
14	Committee report released
*Days prior to annual membership meeting	

distribute the absentee ballots, and the date by which they must be received by the Executive Director.

- b. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the Executive Director have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. At the close of the nomination period, the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated representatives. Caucus elections must be held prior to the annual membership meeting at the Conference. The assigned regional officers along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the regional officer and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference. Only the designated Voting Delegate, or the designated Alternate Voting Delegate shall be allowed to pick up the ballot packet at the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.
- f. Advise the Executive Director to provide "VOTING DELEGATE" ribbons to all voting delegates attending the Annual Conference.
- g. Post the candidate statements/resumes organized by region on a bulletin board or other easily accessible location near the registration desk.
- h. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election and shall be assisted by a regional officer from a region other than their own, as assigned by the Executive Director
- i. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING

Limited to the elections of the Board of Directors

- a. Any LAFCO in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCOs requesting an electronic ballot shall do so in writing to the Executive Director no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the

annual meeting.

- d. LAFCO must return the ballot electronically to the Executive Director no later than three working days prior to the annual meeting.
- e. LAFCOs voting by electronic ballot may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCOs voting under this provision may only vote for the candidates nominated by the Election Committee as noted on the ballot and may not vote in any run-off elections.

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Presiding Officer shall:
 - i. Review the election procedure with the membership of their region.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 - 1. For city member.
 - 2. For county member.
 - 3. For public member.
 - 4. For special district member.
- b. To make a nomination from the floor, a LAFCO, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy. If a candidate is absent from the regional caucus, they may ask someone in their region to make a brief statement on their behalf.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 - 1. Name the nominees and offices for which they are nominated.
 - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCOs in good standing by written ballot.
 - 2. Each LAFCO in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.

3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.
 4. With assistance from the regional officer, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. A majority of the total number of LAFCOs in a given region are required for a quorum. Returned absentee ballots shall count towards the total required for a quorum.
 2. The nominee receiving the majority of votes cast is elected.
 3. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).
 4. In case of tie votes:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names shall be listed on the ballot in the order the nomination was received and deemed complete.
- b. The Election Committee Chair shall announce and introduce all Board Members elected during the Regional Caucuses at the annual business meeting.
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCO may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new Board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

CALAFCO's Four Regions



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCO
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Gary Thompson
Riverside LAFCO
gthompson@LAFCO.org

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Dawn Longoria
Napa LAFCO
dawn.longoria@napa.lafco.ca.gov

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: José Henriquez
Sacramento LAFCO
henriquezj@saccounty.net

CURRENT BOARD MEMBERS AND TERMS

NAME	REGION	TYPE & TERM
Bill Connelly	Butte <i>Northern</i>	County (2025)
Kimberly Cox	San Bernardino Southern	District (2025)
Rodrigo Espinosa	Merced <i>Central</i>	County (2024)
Yxstian Gutierrez	Riverside Southern	County (2025)
Blake Inscore, Secretary	Del Norte <i>North</i>	City (2024)
Gay Jones, Treasurer	Sacramento <i>Central</i>	District (2024)
Kenneth Leary	Napa Coastal	Public (2025)
Gordon Mangel	Nevada <i>Northern</i>	District (2025)
Michael McGill	Contra Costa <i>Coastal</i>	District (2024)
Derek McGregor	Orange <i>Southern</i>	Public (2024)
Margie Mohler, Chair	Napa <i>Coastal</i>	City (2025)
Anita Paque	Calaveras <i>Central</i>	Public (2025)
Wendy Root Askew	Monterey <i>Coastal</i>	County (2024)
Josh Susman	Nevada <i>Northern</i>	Public (2024)
Tamara Wallace	El Dorado Central	City (2025)
Acquanetta Warren, Vice-Chair	San Bernardino <i>Southern</i>	City (2024)



Board of Directors

2024/2025 Nomination Form

(Must accompany the Candidate Résumé Form)

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCO of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCO Chair

Date

NOTICE OF DEADLINE

Nomination Packets must be received by **September 16, 2024** to be considered by the Election Committee.

Send completed nominations to
info@calafco.org

Or, mail to:

CALAFCO Election Committee
CALAFCO
1451 River Park Drive, Ste. 185
Sacramento, CA 95815

Date Received



Board of Directors
2024/2025 Candidate Résumé Form
(Complete both pages)

Nominated By: _____ LAFCO Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCO Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Complete Nomination Packets must be received by **September 16, 2024** to be considered by the Election Committee.

Send completed nominations to
info@calafco.org

Or, mail to:

CALAFCO Election Committee
CALAFCO
1451 River Park Drive, Ste. 185
Sacramento, CA 95815



1451 River Park Drive, Ste 185
Sacramento, CA 95815
(916) 442-6536

NOMINATION OF 2024 CALAFCO VOTING DELEGATE

The Local Agency Formation Commission of the below named county, hereby nominates and names the following Commissioners as its duly authorized voting delegate and alternate for purposes of the 2024 CALAFCO Board of Directors election to be held on Thursday, October 17, 2024, during the CALAFCO Regional Caucus and Annual Meeting in Fish Camp, California.

County Name:

Delegate:

Alternate:

Appointment Authorized by:

Name of individual completing form on behalf of the LAFCo:

Will your delegate or alternate be attending the CALAFCO Annual Conference?

Yes: No:

PLEASE RETURN COMPLETED FORM BY **SEPTEMBER 16, 2024 TO:**

René LaRoche via email to: rlaroc@calafco.org

Late submissions will NOT be accepted.

BUSINESS ITEM #3

August 1, 2024 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consider Nominations for the 2024 CALAFCO Achievement Awards

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission Consider Nominations and provide direction to staff.

DISCUSSION

The attached letter from CALAFCO Executive Director René LaRoche announces that the 2024 Annual Achievement Awards nomination period is open. Nominations are due by August 31, 2024.

Attachments

Attachment A –René LaRoche's Achievement Award Letter

Attachment B – 2024 CALAFCO Achievement Award Nomination Packet

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

From: Rene LaRoche <rlaroche@calafco.org>
Sent: Monday, May 13, 2024 3:16 PM
To: Info
Subject: CALAFCO Achievement Awards Nominations - Due August 31st
Attachments: 2024 Achievement Award Information.pdf; Nomination Form - 2024 Achievement Awards - fillable.pdf

Good afternoon, CALAFCO Members.

Well, it's that time of the year again, and I am very pleased to announce that the nomination period for the **2024 CALAFCO Achievement Awards** is now Open! These coveted awards provide visible recognition to those who consistently go **above and beyond** in their work to advance the principles of LAFCo.

In keeping with our tradition, we will be honoring our Achievement Award recipients at the annual Awards Banquet Dinner held during the CALAFCO Annual Conference. This year, that will occur on October 17th at the Tenaya Lodge in Fish Camp, California (just outside Yosemite National Park.)

Award categories and criteria are outlined in the attached flyer and nomination information packet, so please review all materials carefully. Completed nomination forms must be submitted to CALAFCO Executive Officer Steve Lucas, via email (slucas@buttecounty.net), no later than **Saturday, August 31, 2024**. (No late submissions accepted.)

The Achievement Awards Committee will request additional information from the nominator should they need it as they review and consider the nominations. Nominations received that do not meet the guidelines will not be considered by the Committee.

Full submission instructions can be found in the attached awards information packet. A fillable PDF Nomination form is attached separately.

Please feel free to reach out to Steve Lucas or me should you have any questions about the nomination process.

Thank you and GOOD LUCK TO ALL!

René

René LaRoche (*She/Her/Hers*)
CALAFCO Executive Director



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receive this email message from anyone but the originating sender, please immediately notify the originator then delete it. Dissemination, forwarding, printing, or reproducing the content of this email without prior consent of the originator is strictly prohibited. Thank you for your compliance.

Date: May 13, 2024

To: CALAFCO Members
LAFCO Commissioners and Staff
Other Interested Organizations

From: Blake Inscore, Committee Chair
CALAFCO Achievement Awards Committee
CALAFCO Board of Directors

Subject: 2024 CALAFCO Achievement Award Nominations
Period Open



Deadline: Saturday, August 31, 2024

On behalf of the Association, I am pleased to announce that the nomination period for the 2024 CALAFCO Achievement Awards is now open!

Each year, CALAFCO is honored to recognize outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at its Annual Conference Achievement Awards Ceremony. This year's ceremony will be held at the gorgeous Tenaya Lodge just outside Yosemite National Park on October 17th, during the awards banquet.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who have gone **above and beyond** over the last year to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition based on the criteria outlined.

Before submitting a nomination, ***please carefully review the nomination instructions and the criteria for each award as incomplete nominations, and nominations that do not adhere to the submission guidelines, will not be considered by the Committee.***

ACHIEVEMENT AWARDS NOMINATION PROCEDURE:

1. Most nominations may be made by an individual, a LAFCO, a CALAFCO Associate Member, or any other organization.
2. Each nomination must meet the specific award category criteria for consideration.
3. With the exception of the Lifetime Achievement Award, all nominated projects or acts of service must have occurred or been completed between August 18, 2023, and August 15, 2024.
4. Nominations ***must be submitted with a completed nomination form.*** Please use a separate form for each

nomination. The form is your opportunity to highlight the most important points of your nomination.

5. Nomination *Executive Summaries* must be **limited to no more than 250 words in length**. Nomination *Summaries* must be **limited to no more than 1,000 words or 2 pages in length maximum**. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount **will not be considered by the Committee**.
6. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. **Limit supporting documentation to no more than 3 pages**. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount **will not be considered by the Committee**.
7. All nomination materials must be submitted at one time and must be received by the deadline. No late nominations will be accepted – no exceptions. Electronic submittals are required and must be submitted as pdf document, using the fillable pdf document provided.
8. **Nominations and all supporting materials must be received no later than Saturday, August 31, 2024**. Send nominations via e-mail to:

Stephen Lucas, CALAFCO Executive Officer
slucas@buttecounty.net

You may contact Steve Lucas, CALAFCO Executive Officer, at slucas@buttecounty.net or (530) 538-7784 with any questions.

Members of the 2024 CALAFCO Board of Directors Awards Committee

Board Members:

Blake Inscore, Committee Chair (Del Norte LAFCO, Northern Region)
Rodrigo Espinosa (Merced LAFCO, Central Region)
Kenneth Leary (Napa LAFCO, Coastal Region)
Anita Paque (Calaveras LAFCO, Central Region)

Regional Officer Members:

<i>Steve Lucas</i> , CALAFCO Executive Officer (Northern Region)	slucas@buttecounty.net
<i>José Henriquez</i> , CALAFCO Deputy Executive Officer (Central Region)	henriquezj@saccounty.net
<i>Dawn Longoria</i> , CALAFCO Deputy Executive Officer (Coastal Region)	dlongoria@napa.lafco.ca.gov
<i>Gary Thompson</i> , CALAFCO Deputy Executive Officer (Southern Region)	gthompson@lafco.org

Attachments:

- Achievement Award categories, nomination and selection criteria
- Listing of prior Achievement Award recipients
- 2024 Achievement Award nomination form (separate file)



CALAFCO ACHIEVEMENT AWARD CATEGORIES, NOMINATION & SELECTION CRITERIA

Every year, CALAFCO recognizes excellence within the LAFCO community, and among the full membership, by presenting *Achievement Awards* at the CALAFCO Annual Conference. Nominations are now open and being accepted until **Saturday, August 31, 2024** in the following categories:

OUTSTANDING CALAFCO VOLUNTEER

Award Summary:

Recognizes a CALAFCO volunteer who has provided exemplary service **during the year past**. Exemplary service is service which clearly goes above and beyond that which is asked or expected in the charge of their responsibilities. This category may include a CALAFCO Board member, regional officer, program volunteer, or any other requested volunteer.

Nomination criteria:

1. Nominee must have volunteered for the Association during the year in which the nomination is being made.
2. Nominee does not have to be a CALAFCO member.
3. Volunteer efforts must have demonstrated the individual going above and beyond what was asked/expected with positive and effective results.
4. Nominee can be a CALAFCO Board member, regional officer, program volunteer or any other volunteer.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee, regardless of their position or role as a volunteer. Only the contributions and outcomes shall be considered, not the individual's position.
3. The extent of the volunteerism and the overall impact to the statewide Association and membership based on that volunteerism shall be considered.
4. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

OUTSTANDING CALAFCO ASSOCIATE MEMBER

Award Summary:

Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCOs by consistently producing distinguished work that upholds the mission and goals of LAFCOs and has helped elevate the role and mission of LAFCOs through its work. Recipient consistently demonstrates a collaborative approach to LAFCO stakeholder engagement.

Further, the individual or firm has a proven commitment to the Association membership through volunteering time and resources to further the cause of LAFCO and CALAFCO.

Nomination criteria:

1. Nominee must be a CALAFCO Associate Member in good standing with the Association.
2. Nominee shall be an Associate Member for the full year in which the nomination is being made.
3. The Associate Member nominated shall have been an Associate Member in good standing with the Association for at least one year prior to the year for which the nomination is being made.
4. As an Associate Member, the nominee may be an individual, firm or agency.
5. The nominee may be an individual within an Associate Member firm or agency.
6. Nominee shall demonstrate that through their work as an Associate Member, the role and mission of LAFCO has been upheld and furthered.
7. Nominee must have proven cooperative and collaborative approaches to situations and solutions that affect LAFCOs statewide as an Associate Member.
8. Proven commitment to the Association's membership as an Associate Member by volunteering resources to the Association during the year in which the nomination is made.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. The level of volunteering time and resources to the Association shall be a consideration with all other nomination criteria.

OUTSTANDING COMMISSIONER

Award Summary:

Presented to an individual Commissioner for extraordinary service to his or her Commission. Extraordinary service is considered actions above and beyond those required in the course of fulfilling their statutory responsibilities as a Commissioner. It requires consistently demonstrating independent judgment on behalf of the interest of the entire county, developing innovative and collaborative solutions to local issues, and leading the commission and community by example.

Nomination criteria:

1. Nominee must be a Commissioner of a LAFCO in good standing with the Association.
2. Nominee shall be a Commissioner for the full year in which the nomination is being made.
3. Proven demonstration of consistently exercising independent judgment for the greater good of the County is required.
4. Proven leadership of the commission and the community through collaborative, innovative and creative solutions to local issues is required.
5. Proven effective results and outcomes shall be demonstrated in the nomination.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Representation type (city-county-district-public) shall not be a consideration nor shall be the size or geographic area of the LAFCO on which the Commissioner serves.

4. The overall impact of the leadership of the Commissioner shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

OUTSTANDING LAFCO PROFESSIONAL

Award Summary:

Recognizes an Executive Officer, Staff Analyst, Clerk, Legal Counsel or any other LAFCO staff person for exemplary service during the past year. Exemplary service is considered actions which clearly go above and beyond that which is asked, expected, or required in the charge of their LAFCO responsibilities.

Nomination criteria:

1. Nominee must be a staff person of a LAFCO in good standing with the Association.
2. Nominee shall be a staff person for the full year in which the nomination is being made.
3. As a staff person, the nominee can be either an employee of the LAFCO or a contractor providing employee-type services to the LAFCO.
4. Efforts must be demonstrated that the individual has consistently gone above and beyond or outside the scope of their role or job responsibilities, with proven results that otherwise would not have occurred.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Position within a LAFCO shall not be a consideration, nor shall be the size or geographic area of the LAFCO.
4. The overall impact of the LAFCO professional to their LAFCO and the greater community shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

LIFETIME ACHIEVEMENT AWARD

Award Summary:

Recognizes any individual who has made extraordinary contributions to the statewide LAFCO community in terms of longevity of service, exemplary advocacy of LAFCO-related legislation, proven leadership in approaching a particular issue or issues, and demonstrated support in developing and implementing innovative and creative ways to support the goals of LAFCOs throughout California. At a minimum, the individual should be involved in the LAFCO community for at least twenty (20) years.

Nomination criteria:

1. Nomination must be received from a member LAFCO or Associate Member in good standing with the Association.
2. A minimum of 20 years direct involvement with the LAFCO community is required for

- consideration.
3. During that time, nominee shall have a proven positive impact and effect on the support and evolution of LAFCOs statewide.
 4. This includes advocacy of LAFCOs statewide through legislation, developing creative and innovative solutions to LAFCO issues that serve beyond their LAFCO to the greater good, and collaborative stakeholder approaches to issues and opportunities to further the cause and mission of LAFCO.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Preference may be given to nominees who also have proven experience volunteering for CALAFCO through a regional officer role, serving on committees, serving on the CALAFCO Board, or any other method of volunteering for the Association that serves to promote and support the mission and work of LAFCOs throughout the state.

LEGISLATOR OF THE YEAR

Award Summary:

Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCO goals that have a statewide effect. The recipient shall have demonstrated clear support and effort to further the cause and ability of LAFCOs to fulfill their statutory mission. Selected by CALAFCO Board by super majority.

Nomination criteria:

1. Nominee shall be a California State legislator during the full year in which the nomination was made.
2. Nominee must have demonstrated extraordinary leadership in the Legislature on behalf of LAFCOs statewide, with efforts resulting in a positive impact for all LAFCOs.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. All Legislator of the Year nominations shall be forwarded by the Achievement Awards Committee to the Board for consideration.
3. Selection of the recipient of this award shall be done with a super majority approval of the Board (present at the time of the vote).

MIKE GOTCH EXCELLENCE IN PUBLIC SERVICE AWARD

Award Summary:

Awarded to an individual, group or agency for actions that rise above expected or common functions or actions that are LAFCO-related; *and* reduce or eliminate common institutional roadblocks; *and* result in a truly extraordinary public service outcome. Individuals, a LAFCO, or collaborative effort among multiple LAFCOs or a LAFCO with other entities are eligible. Other entities shall be decision-making bodies at the local, regional or state level. This award has two distinct categories, each focusing on a specific area:

1. *Protection of agricultural and open space lands and prevention of sprawl*

2. *Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*

Award categories:

• **Protection of agricultural and open space lands and prevention of sprawl**

Includes the development and implementation of programs or other actions associated with agriculture, water, flood control, parks and recreation, habitat conservation plans and public lands. Demonstrates the recipient has identified, encouraged and ensured the preservation of agricultural and open space lands. Proven actions that encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands. Includes demonstrated consideration given in decisions to Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, and sustainable communities.

• **Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services**

Includes the development and implementation of innovate support and systems within internal LAFCO operations in the support of local agencies. Actions produce systemic and sustainable improvements and innovation of local government. Proven facilitation of constructive discussions with local and regional agencies and proactive outreach to local and regional agencies as well as local stakeholders and communities to identify issues and solutions and demonstrated action as a coordinating agency in offering and supporting unique local solutions to meet local challenges. Successful demonstration of development of capacities and abilities of local agencies. Provide tools and resources to local agencies to address aging infrastructure, fiscal challenges and the maintenance of existing services. Demonstrated action to streamline the provision of local services with proven results that services are consistent or have been improved as a result, with little to no increased cost to the consumer. Focused efforts and proven results to ensure delivery of services to all communities, especially disadvantaged communities.

Nomination criteria:

1. Clear demonstration that the actions rise above expected or common functions or actions.
2. The actions reduced or eliminated common institutional roadblocks.
3. The actions clearly proven a truly extraordinary public service outcome that is systemic and sustainable.
4. Identified unique circumstances and factors leading to the solution/project.
5. The innovative steps taken by the LAFCO or entity/entities/individual to solve the problem, overcome the situation, or to take action.
6. Clear description of the results/outcomes of the work and the short- and long-term effects.
7. How this work can be promoted as a LAFCO best practice.
8. Clear demonstration how this nomination meets all criteria.

Selection Criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee within each category. The size or geographic area of the LAFCO within a given category shall not be a consideration.
3. The overall impact of the actions and outcomes to the greater community being served shall be considered.
4. The level of impact based on the required nomination criteria shall be considered.

QUALIFYING PERIOD: *With the exception of the Lifetime Achievement Award, all nominated projects or acts of service must have occurred or been completed between August 18, 2023, and August 15, 2024.*



PREVIOUS CALAFCO ACHIEVEMENT AWARD RECIPIENTS

2023

Lifetime Achievement Award:	Dawn Mittleman Longoria , Napa LAFCO
Outstanding Commissioner	Richard Bettencourt , San Benito LAFCO
Outstanding LAFCO Professional	Two-Way Tie: José C. Henriquez , Sacramento LAFCO Andrea Ozdy , Ventura LAFCO
Outstanding Associate Member	Colantuono, Highsmith & Whatley
Outstanding Volunteer	Anita Paque , Calaveras LAFCO
Mike Gotch Award - Agriculture Innovation	Napa LAFCO Tom Cooley , Plumas LAFCO

2022

Outstanding Commissioner	Don Saylor , Yolo LAFCO
Outstanding LAFCO Professional	Carolyn Emery , Orange LAFCO
Mike Gotch Award - Innovation, Collaboration, And Outreach	Two-Way Tie: Cristine Crawford , Yolo LAFCO, and Erica Sanchez , El Dorado LAFCO & Amanda Ross , South Fork Consulting, LLC

2020 – 2021 (2 year period due to the pandemic)

Outstanding Associate Member	Planwest Partners
Outstanding Commissioner	Olin Woods , Yolo LAFCO
Outstanding LAFCO Professional	Crystal Craig , Riverside LAFCO
Mike Gotch Protection of Ag and Open Space Lands & Prevention of Urban Sprawl	Napa LAFCO
Mike Gotch Courage & Innovation in Local Government Leadership Award	Yolo LAFCO
Lifetime Achievement Award	Jerry Glabach , Los Angeles LAFCO

2019

Distinguished Service Award	Charley Wilson , Orange LAFCO
Most Effective Commission	Contra Costa LAFCO
Outstanding Commissioner	Jim DeMartini , Stanislaus LAFCO
Outstanding LAFCO Professional	David Church , San Luis Obispo LAFCO
Project of the Year	Orange LAFCO , for San Juan Capistrano Utilities MSR
Government Leadership Award	CA State Water Resources Control Board, Los Angeles County and Los Angeles LAFCO , for Sativa Water District
Mike Gotch Courage & Innovation in Local Government Leadership Award	Butte LAFCO
Legislator of the Year	Assembly Member Mike Gipson
Lifetime Achievement Award	John Benoit , various LAFCOs, Jurg Heuberger , Imperial LAFCO

2018

Distinguished Service Award	John Withers , Orange LAFCO
Most Effective Commission	Santa Clara LAFCO
Outstanding Commissioner	Margie Mohler , Napa LAFCO
Outstanding LAFCO Professional	George Williamson , Del Norte LAFCO
Outstanding LAFCO Clerk	Elizabeth Valdez , Riverside LAFCO
Outstanding CALAFCO Associate Member	Best Best & Krieger
Project of the Year	Lake LAFCo , water services consolidation
Government Leadership Award	City of Porterville, County of Tulare, Dept. of Water Resources, State Water Resources Control Board, Governor’s Office of Emergency Services, Self Help Enterprises, Community Water Center for East Porterville water supply project
Mike Gotch Courage & Innovation in Local Government Leadership Award	Mike Ott , San Diego LAFCO
Legislator of the Year	Assembly Member Anna Caballero
Lifetime Achievement Award	Pat McCormick , Santa Cruz LAFCO, George Spiliotis , Riverside LAFCO

2017

Most Effective Commission	Los Angeles LAFCO
Outstanding CALAFCO Member	Sblend Sblendorio , Alameda LAFCO
Outstanding Commissioner	John Marchand , Alameda LAFCO
Outstanding LAFCO Professional	Paul Novak , Los Angeles LAFCO
Outstanding LAFCO Clerk	Richelle Beltran , Ventura LAFCO
Outstanding CALAFCO Associate Member	Policy Consulting Associates
Project of the Year	County Services MSR , Butte LAFCO, and Santa Rosa Annexation , Sonoma LAFCO
Government Leadership Award	San Luis Obispo County Public Works Dept.
Lifetime Achievement Award	Kathy Rollings McDonald (San Bernardino)

2016

Distinguished Service Award	Peter Brundage , Sacramento LAFCO
Most Effective Commission	San Luis Obispo LAFCO
Outstanding CALAFCO Member	John Leopold , Santa Cruz LAFCO
Outstanding Commissioner	Don Tatzin , Contra Costa LAFCO
Outstanding LAFCO Professional	Steve Lucas , Butte LAFCO
Outstanding LAFCO Clerk	Cheryl Carter-Benjamin , Orange LAFCO
Project of the Year	Countywide Water Study , (Marin LAFCO)
Government Leadership Award	Southern Region of CALAFCO
Lifetime Achievement Award	Bob Braitman (retired Executive Officer)

2015

Mike Gotch Courage & Innovation in Local Government Leadership Award	Yuba County Water Agency
Distinguished Service Award	Mary Jane Griego , Yuba LAFCO
Most Effective Commission	Butte LAFCO
Outstanding CALAFCO Member	Marjorie Blom , formerly of Stanislaus LAFCO
Outstanding Commissioner	Matthew Beekman , formerly of Stanislaus LAFCO
Outstanding LAFCO Professional	Sam Martinez , San Bernardino LAFCO
Outstanding LAFCO Clerk	Terri Tuck , Yolo LAFCO
Project of the Year	Formation of the Ventura County Waterworks District No. 38 (Ventura LAFCO) and 2015 San Diego County Health Care Services five-year sphere of influence and service review report (San Diego LAFCO)
Government Leadership Award	The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency
CALAFCO Associate Member of the Year	Michael Colantuono of Colantuono, Highsmith & Whatley
Legislators of the Year Award	Assembly member Chad Mayes
Lifetime Achievement Award	Jim Chapman (Lassen LAFCO) and Chris Tooker (formerly of Sacramento LAFCO)

2014

Mike Gotch Courage & Innovation in Local Government Leadership Award	David Church , San Luis Obispo LAFCO
Distinguished Service Award	Kate McKenna , Monterey LAFCO
Most Effective Commission	Santa Clara LAFCO
Outstanding CALAFCO Member	Stephen Lucas , Butte LAFCO
Outstanding Commissioner	Paul Norsell , Nevada LAFCO
Outstanding LAFCO Professional	Kate McKenna , Monterey LAFCO
Outstanding LAFCO Clerk	Paige Hensley , Yuba LAFCO
Project of the Year	LAFCo Procedures Guide: 50th Year Special Edition , San Diego LAFCO
Government Leadership Award	Orange County Water District, City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District
Legislators of the Year Award	Assembly member Katcho Achadjian
Lifetime Achievement Award	Susan Wilson , Orange LAFCO

2013

Mike Gotch Courage & Innovation in Local Government Leadership Award	Simón Salinas , Commissioner, Monterey LAFCO
Distinguished Service Award	Roseanne Chamberlain , Amador LAFCO
Most Effective Commission	Stanislaus LAFCO
Outstanding CALAFCO Member	Harry Ehrlich , San Diego LAFCO
Outstanding Commissioner	Jerry Gladbach , Los Angeles LAFCO
Outstanding LAFCO Professional	Lou Ann Texeira , Contra Costa
LAFCO Outstanding LAFCO Clerk	Kate Sibley , Contra Costa LAFCO
Project of the Year	Plan for Agricultural Preservation , Stanislaus LAFCO
Government Leadership Award	Orange County LAFCO Community Islands Taskforce , Orange LAFCO

Legislators of the Year Award
Lifetime Achievement Award

Senators Bill Emmerson and Richard Roth
H. Peter Faye, Yolo LAFCO; **Henry Pellissier**, Los Angeles LAFCO; **Carl Leverenz**, Butte LAFCo; **Susan Vicklund-Wilson**, Santa Clara LAFCO.

2012

Mike Gotch Courage & Innovation in Local Government Leadership Award
Distinguished Service Award
Most Effective Commission
Outstanding CALAFCO Member

Bill Chiat, CALAFCO Executive Director

Outstanding Commissioner
LAFCO Outstanding LAFCO Professional
Outstanding LAFCO Clerk
Project of the Year

Marty McClelland, Commissioner, Humboldt LAFCO
Sonoma LAFCO

Stephen A. Souza, Commissioner, Yolo LAFCO and CALAFCO Board of Directors

Sherwood Darington, Monterey

Carole Cooper, Sonoma LAFCO

Gwenna MacDonald, Lassen LAFCO

Countywide Service Review & SOI Update, Santa Clara LAFCO

Government Leadership Award
Lifetime Achievement Award

North Orange County Coalition of Cities, Orange LAFCO

P. Scott Browne, Legal Counsel LAFCOs

2011

Mike Gotch Courage & Innovation in Local Government Leadership Award
Distinguished Service Award
LAFCo Most Effective Commission
Outstanding CALAFCO Member
Outstanding Commissioner
Outstanding LAFCO Professional
Outstanding LAFCO Clerk
Project of the Year

Martin Tuttle, Deputy Director for Planning, Caltrans

Mike McKeever, Executive Director, SACOG

Carl Leverenz, Commissioner and Chair, Butte

San Bernardino LAFCO

Keene Simonds, Executive Officer, Napa LAFCO

Louis R. Calcagno, Monterey LAFCO

June Savala, Deputy Executive Officer, Los Angeles LAFCO

Debbie Shubert, Ventura LAFCO

Cortese-Knox-Hertzberg Definitions Revision

Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper, and George Spiliotis

Government Leadership Award

Contra Costa Sanitary District

Elsinore Water District and Elsinore Valley Municipal Water District

2010

Mike Gotch Courage & Innovation in Local Government Leadership Award
Distinguished Service Award

Helen Thompson, Commissioner, Yolo LAFCO

Kathleen Rollings-McDonald, Executive Officer, San Bernardino LAFCO

Bob Braitman, Executive Officer, Santa Barbara LAFCO

Tulare LAFCO

Most Effective Commission
Outstanding CALAFCO Member
Outstanding Commissioner
Outstanding LAFCO Professional
Outstanding LAFCO Clerk

Roger Anderson, Ph.D., CALAFCO Chair, Santa Cruz LAFCO

George Lange, Ventura LAFCO

Harry Ehrlich, Government Consultant, San Diego LAFCO

Candie Fleming, Fresno LAFCO

Project of the Year

Butte LAFCo

Sewer Commission - Oroville Region Municipal Service Review

Government Leadership Award

Nipomo Community Services District and the County of San Luis Obispo

Special Achievement

Chris Tooker, Sacramento LAFCO and CALAFCO Board of Directors

2009

Mike Gotch Courage & Innovation in Local Government Leadership Award

Paul Hood, Executive Officer, San Luis Obispo LAFCO

Distinguished Service Award

William Zumwalt, Executive Officer, Kings LAFCO

Most Effective Commission

Napa LAFCO

Outstanding CALAFCO Member

Susan Vicklund Wilson, CALAFCO Vice Chair
Jerry Gladbach, CALAFCO Treasurer

Outstanding Commissioner

Larry M. Fortune, Fresno LAFCO

Outstanding LAFCO Professional

Pat McCormick, Santa Cruz LAFCO Executive Officer

Outstanding LAFCO Clerk

Emmanuel Abello, Santa Clara LAFCO

Project of the Year

Orange LAFCO Boundary Report

Government Leadership Award

Cities of Amador City, Jackson, Lone, Plymouth & Sutter Creek; Amador County; Amador Water Agency; Pine Grove CSD – Countywide MSR Project

Legislator of the Year Award

Assembly Member Jim Silva

2008

Distinguished Service Award

Peter M. Detwiler, Senate Local Government Committee Chief Consultant

Most Effective Commission

Yuba LAFCO

Outstanding Commissioner

Dennis Hansberger, San Bernardino LAFCO

Outstanding LAFCO Professional

Michael Ott, San Diego LAFCO Executive Officer
Martha Poyatos, San Mateo Executive Officer

Outstanding LAFCO Clerk

Wilda Turner, Los Angeles LAFCO

Project of the Year

Kings LAFCO
City and Community District MSR and SOI Update

Government Leadership Award

San Bernardino Board of Supervisors

Legislator of the Year Award

Assembly Member Anna M. Caballero

2007

Outstanding CALAFCO Member

Kathy Long, Board Chair, Ventura LAFCo

Distinguished Service Award

William D. Smith, San Diego Legal

Counsel Most Effective Commission

Santa Clara LAFCO

Outstanding Commissioner

Gayle Uilkema, Contra Costa LAFCO

Outstanding LAFCO Professional

Joyce Crosthwaite, Orange LAFCO Executive Officer

Outstanding LAFCO Clerk

Debby Chamberlin, San Bernardino LAFCO

Project of the Year

San Bernardino LAFCo and City of Fontana
Islands Annexation Program

Government Leadership Award

City of Fontana - Islands Annexation Program

Lifetime Achievement

John T. "Jack" Knox

2006

Outstanding CALAFCO Member

Everett Millais, CALAFCO Executive Officer and Executive Officer of Ventura LAFCO

Distinguished Service Award	Clark Alsop , CALAFCO Legal Counsel
Most Effective Commission Award	Alameda LAFCO
Outstanding Commissioner Award	Ted Grandsen , Ventura LAFCO Chris Tooker , Sacramento LAFCO
Outstanding LAFCO Professional Award	Larry Calemine , Los Angeles LAFCO Executive Officer
Outstanding LAFCO Clerk Award	Janice Bryson , San Diego LAFCO Marilyn Flemmer , Sacramento LAFCO
Project of the Year Award	Sacramento Municipal Utility District Sphere of Influence Amendment and Annexation; Sacramento LAFCO
Outstanding Government Leadership Award	Cities of Porterville, Tulare, and Visalia and Tulare LAFCO Island Annexation Program
Legislator of the Year Award	Senator Christine Kehoe

2005

Outstanding CALAFCO Member	Peter Herzog , CALAFCO Board, Orange LAFCO
Distinguished Service Award	Elizabeth Castro Kemper , Yolo LAFCO
Most Effective Commission Award	Ventura LAFCO
Outstanding Commissioner Award	Art Aseltine , Yuba LAFCO Henri Pellissier , Los Angeles LAFCO
Outstanding LAFCO Professional Award	Bruce Baracco , San Joaquin LAFCO
Outstanding LAFCO Clerk Award	Danielle Ball , Orange LAFCO
Project of the Year Award	San Diego LAFCO MSR of Fire Protection and Emergency Medical Services
Outstanding Government Leadership Award	Sacramento Area Council of Governments (SACOG)

2004

Outstanding CALAFCO Member	Scott Harvey , CALAFCO Executive Director
Distinguished Service Award	Julie Howard , Shasta LAFCO
Most Effective Commission Award	San Diego LAFCO
Outstanding Commissioner Award	Edith Johnsen , Monterey LAFCO
Outstanding LAFCO Professional Award	David Kindig , Santa Cruz LAFCO
Project of the Year Award	San Luis Obispo LAFCO Nipomo CSD SOI Update, MSR, and EIR

2003

Outstanding CALAFCO Member	Michael P. Ryan , CALAFCO Board Member
Distinguished Service Award	Henri F. Pellissier , Los Angeles LAFCO
Most Effective Commission Award	San Luis Obispo LAFCO
Outstanding Commissioner Award	Bob Salazar , El Dorado LAFCO
Outstanding LAFCO Professional Award	Shirley Anderson , San Diego LAFCO
Outstanding LAFCO Clerk Award	Lori Fleck , Siskiyou LAFCO
Project of the Year Award	Napa LAFCo Comprehensive Water Service Study
Special Achievement Award	James M. Roddy

2002

Outstanding CALAFCO Member	Ken Lee , CALAFCO Legislative Committee Chair
Most Effective Commission Award	San Diego LAFCO Outstanding
Commissioner Award	Ed Snively , Imperial LAFCO
Outstanding LAFCO Professional Award	Paul Hood , San Luis Obispo LAFCO
Outstanding LAFCO Clerk Award	Danielle Ball , Orange LAFCO

Project of the Year Award
 Outstanding Government Leadership Award

San Luis Obispo LAFCO
Napa LAFCo, Napa County Farm Bureau, Napa Valley Vintners Association, Napa Valley Housing Authority, Napa County Agricultural Commissioner's Office, Napa County Counsel Office, and Assembly Member Patricia Wiggins

2001

Outstanding CALAFCO Member
 Distinguished Service Award
 Outstanding Commissioner Award
 Outstanding LAFCO Professional Award
 Project of the Year Award
 Outstanding Government Leadership Award
 Legislator of the Year Award

SR Jones, CALAFCO Executive Officer
David Martin, Tax Area Services Section, State Board of Equalization
H. Peter Faye, Yolo LAFCO
Ingrid Hansen, San Diego LAFCO
Santa Barbara LAFCO
Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council
Senator Jack O'Connell

2000

Outstanding CALAFCO Member
 Distinguished Service Award
 Most Effective Commission Award
 Outstanding Commissioner
 Outstanding LAFCO Professional Award
 Outstanding LAFCO Clerk Award
 Project of the Year Award
 Legislator of the Year Award

Ron Wootton, CALAFCO Board Chair
Ben Williams, Commission on Local Governance for the 21st Century
Yolo LAFCO
Rich Gordon, San Mateo LAFCO
Annamaria Perrella, Contra Costa LAFCO
Susan Stahmann, El Dorado LAFCO
San Diego LAFCO
Robert Hertzberg, Assembly Member

1999

Distinguished Service Award
 Most Effective Commission Award
 Outstanding Executive Officer Award
 Outstanding LAFCO Clerk Award
 Most Creative Solution to a Multi-Jurisdictional Problem
 Outstanding Government Leadership Award
 Legislator of the Year Award

Marilyn Ann Flemmer-Rodgers, Sacramento LAFCO
Orange LAFCO
Don Graff, Alameda LAFCO
Dory Adams, Marin LAFCO
San Diego LAFCO
Assembly Member John Longville
Assembly Member Robert Hertzberg

1998

Outstanding CALAFCO Member
 Distinguished Service Award
 Most Effective Commission Award
 Outstanding Executive Officer Award
 Outstanding Staff Analysis
 Outstanding Government Leadership Award

Dana Smith, Orange LAFCO
Marvin Panter, Fresno LAFCO
San Diego LAFCO
George Spiliotis, Riverside LAFCO
Joe Convery, San Diego LAFCO
Joyce Crosthwaite, Orange LAFCO
Santa Clara County Planning Department

1997

Most Effective Commission Award
 Outstanding Executive Officer Award

Orange LAFCO
George Finney, Tulare LAFCO

Outstanding Staff Analysis

Annamaria Perrella, Contra Costa LAFCO

Outstanding Government Leadership Award

South County Issues Discussion Group

Most Creative Solution to a Multi-Jurisdictional Problem

Alameda LAFCO and Contra Costa LAFCO

Legislator of the Year Award

Assembly Member Tom Torlakson



Achievement Award Nomination Form

NOMINEE - Person or Agency Being Nominated

Name: _____

Organization: _____

Address: _____

Phone: _____

E-mail: _____

NOMINATION CATEGORY (check one – see category criteria on attached sheet)

- Outstanding CALAFCO Volunteer
- Outstanding CALAFCO Associate Member
- Outstanding Commissioner
- Outstanding LAFCo Professional

Mike Gotch Excellence in Public Service (choose one category below)

- Protection of agricultural and open space lands and prevention of sprawl*
- Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*
- Legislator of the Year (must be approved by the full CALAFCO Board)
- Lifetime Achievement Award

NOMINATION SUBMITTED BY:

Name: _____

Organization: _____

Address: _____

Phone: _____

E-mail: _____

EXECUTIVE SUMMARY

In no more than 250 words, summarize why this recipient is the most deserving of this award.

NOMINATION SUMMARY

Please indicate the reasons why this person or agency deserves to be recognized (this section must be no more than 1,000 words or 2 pages maximum. Attach 2nd page, if needed.)

INFORMATION ITEM #1

LAFCO MEMORANDUM

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

105 East Anapamu Street • Santa Barbara CA 93101 • (805) 568-3391 + Fax (805) 568-2249

August 1, 2024 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater
Executive Officer

SUBJECT: Report on Los Olivos Community Services District

This is an Informational Report. No Action is Necessary

DISCUSSION

At the April 6, 2023 meeting, the Commission granted a request from the Los Olivos Community Services District for a Two-Year Extension from the Effective Date of Formation, which will run through April 6, 2025 to complete the Proposition 218 assessment district process.

The condition of formation is set forth in Paragraph B(vii) is as follows: "**The District shall implement a Proposition 218 assessment within one year of the effective date as necessary to fund the wastewater treatment facilities for the area, including CEQA and other planning analysis, assessment study and necessary election. Santa Barbara LAFCO may otherwise extend such deadline, or other LAFCO approved arrangements are made for funding such construction.**"

The District's 2nd Quarter Update explains the Board of Directors current status at Final 30% Engineering and Cost Estimate. The Board held a July 10th Workshop to discuss the Proposition 218 assessment process. The District will give a status update presentation.

As a condition of the time extension, the Commission requested periodic updates from the District on the update process. The District's General Manager has submitted the most recent update provided to the residents that summaries the accomplishments.

Attachments

Attachment A – Los Olivos CSD 2nd Quarter Update 2024

Attachment B – Los Olivos CSD Update August Presentation

Please contact the LAFCO office if you have any questions.

INFORMATIONAL ITEM No. 1

Julie Kennedy, President
Lisa Palmer, Vice President
Thomas Fayram, Director
Greg Parks, Director
Nina Stormo, Director



PO Box 345, Los Olivos Ca 93441
Telephone (805) 500-4098
losolivoscsd@gmail.com
www.losolivoscsd.com

DISTRICT UPDATE - 2ND QUARTER 2024

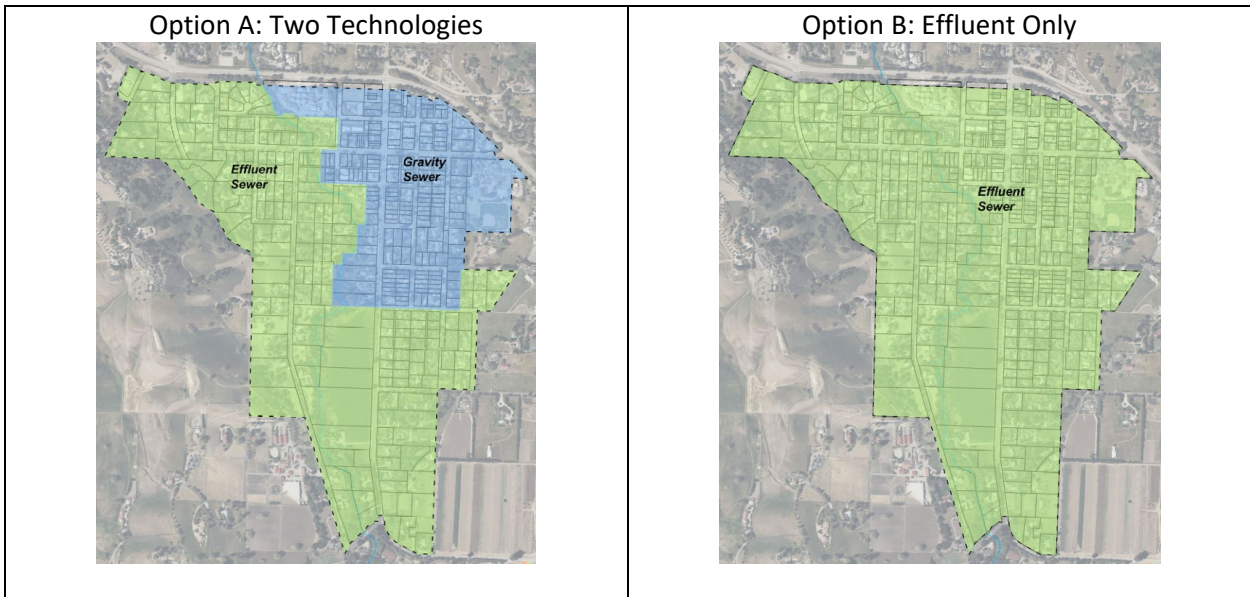
The Los Olivos Community Services District (LOCSO) continues to methodically evaluate technical approaches, obtain cost estimates, engage our community, and pursue grant opportunities for feasible, cost-effective wastewater treatment solutions for our community. This past quarter the District:

- Received a report for the 30% engineering design and cost estimate on hybrid collection approaches, with a focus on the use of effluent-only collection technologies
- Moved forward with two contracts to evaluate the costs and technical challenges of potentially connecting to the City of Solvang’s wastewater treatment facilities
- Performed extensive sampling of all five of the District’s groundwater monitoring wells, in cooperation with the Central Coast Regional Water Quality Control Board and the County of Santa Barbara Public Health Environmental Health Services
- Focused on expanded public outreach through community meetings and social media

As noted in prior updates, any final wastewater treatment and water reclamation solution put forth by the Board will be the result of significant community input, environmental review and then subject to a vote by District property owners in accordance with Proposition 218. Since the District is still evaluating technical solutions, no specific timeline for the property owner vote has been established.

Final Report - 30% Engineering Design and Cost Estimate – Effluent Only & Hybrid Collection

On May 15, the Board of Directors and public heard an overview of the final report on hybrid wastewater collection approaches. The report was completed and presented by REGEN, PLLC. and touched on the differences between gravity fed sewer collection approaches and effluent-only technologies, but also considered the use of advanced on-site systems on larger lots within the District. The full report can be found at: <https://www.losolivoscsd.com/technical-studies-and-reports>.



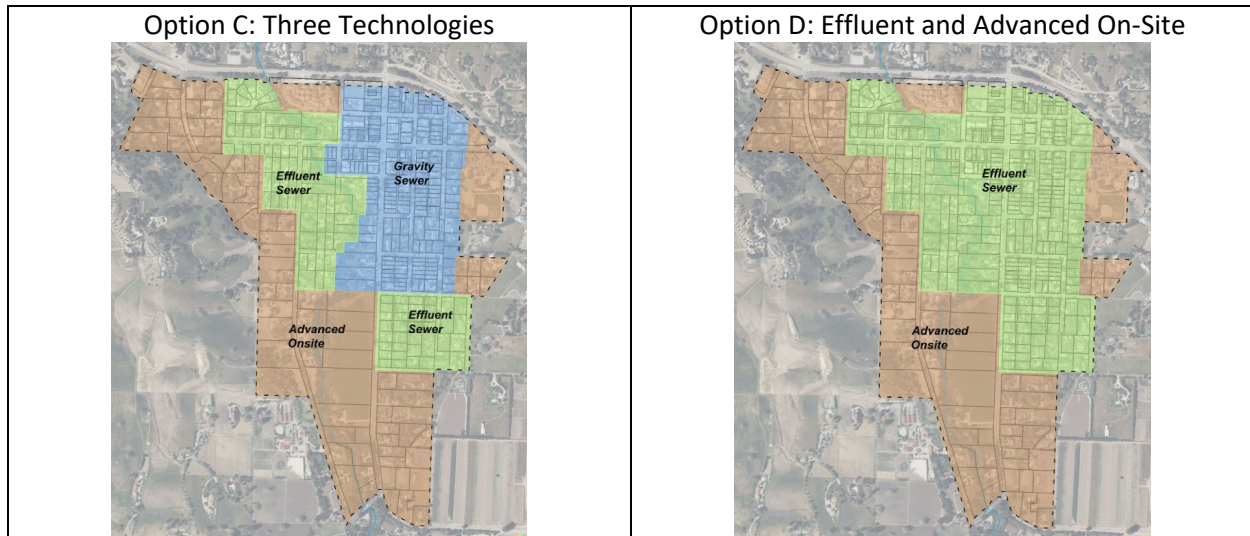


Figure 1: Possible deployments of Gravity, Effluent, and Advanced On-Site Technologies

As part of its report, REGEN examined the legally required setbacks between drinking water lines and effluent tanks. Although REGEN identified a few parcels that will require further examination, the report notes that effluent technologies could likely be used throughout the District without major concern regarding proximity to drinking water lines.

REGEN’s cost estimates for the hybrid collection approaches ranged from \$19.2M to \$25.7M, depending on the mix of gravity / effluent / and advanced on-site technologies used. This represents a potential savings of \$5.7M to \$12.2M when compared to the gravity only solution. The District will be completing a full cost comparison to understand the differences between the approaches. Once the comparison is completed, a public workshop will be held where the public can ask questions and provide comments on the potential approaches.

The REGEN engineering and cost estimating effort was being made possible by a generous grant from Preservation of Los Olivos, a 501(c)4 organization.

Studying Use of the City of Solvang’s Wastewater Treatment Facilities and Related Costs

The District continues to meet with City of Solvang representatives to discuss the possibility of the LOCS D using the City’s wastewater treatment infrastructure. On January 22, the Solvang City Council agreed that exploring such a connection could make sense for both entities. At the City’s recommendation, the District has engaged Water Systems Consulting (WSC) and Carollo Engineering to understand the impacts of adding District wastewater flows to the City’s existing infrastructure. WSC will focus on the components leading up to the treatment plant (e.g. pipes, lift stations, and pumps), while Carollo will examine the potential impacts to the City’s wastewater treatment plant. Both consultants will provide cost estimates for any changes that may be required to upgrade the City’s infrastructure in order to handle the District’s wastewater.

No commitments have been made by either organization, beyond exploring the technical feasibility and potential costs of sending LOCS D wastewater to the City facilities for treatment. The approach being examined would result in the LOCS D connecting to existing City collection pipes near Sunny Fields Park on Alamo Pintado Road. This location represents the closest connection point between City’s

wastewater infrastructure and the LOCSD district’s boundaries. Wastewater would then travel via the City’s infrastructure to the City’s treatment plant.

Final reports from WSC and Carollo are expected to be heard by the District in the 4th Quarter of this year.

Sampling Groundwater Monitoring Wells

Earlier this year, the District completed the installation of three new groundwater monitoring wells. This brings the total number of monitoring wells installed within District boundaries since November 2022 to five.

Recall that one of the key reasons the District lies within a Special Problems Area is due to high nitrate levels in the groundwater table. Having five monitoring wells within the District’s boundaries will help us better understand what is happening in the shallow groundwater table and the impacts of our septic tanks on our groundwater. Table 1 shows the test results from March 2024 and November 2022. The “nitrate as N” allowed maximum contaminant level (MCL) for drinking water in the State of California is 10 mg/L. This means that Monitoring Well (MW)-1, MW-3, and MW-5 tested below MCL, while MW-2 and MW-4 have tested at or above the MCL.

Well	Nov 2022	March 2024	May 2024*
MW-1	2.6	2.5	2.2
MW-2	10	11	9.9
MW-3		6.3	6.1
MW-4		11	14
MW-5		4.5	4.7

Table 1 – Test Results
Numbers represent Nitrate concentrations.

Installation and testing of the wells was made possible through grants from the [County of Santa Barbara Environmental Health Services \(EHS\)](#).

Twice Monthly Coffee with a District Board Member at Lefty’s

Beginning on June 21th, Board Member have been available for an hour of “open table” discussion with community members. Lefty’s Coffee Co. in Los Olivos graciously offered to let Board Members use a table for these informal conversations. No appointment necessary. As a general rule, the meetings will be held on the 1st and 3rd Friday of each month. The dates and times currently planned are shown below.

Date	Time
Friday - June 21	8:30 AM
Friday - July 5	9:00 AM
Friday - July 19	8:30 AM
Friday - August 2	9:00 AM
Friday - August 16	8:30 AM

Table 2 – One-on-One Opportunities

Grant Funding May Be Available to Help You Offset the Costs of Replacing Your Septic System

A grant program has been established by the US Department of Agriculture (USDA) to help individuals with low to moderate incomes finance the costs of household water wells and individually owned decentralized wastewater systems that they own or will own. Individual households may use the loan and/or sub-grant funds to construct, refurbish, rehabilitate, or replace decentralized water systems up to the point of entry to a home. Point of entry for the well system is the junction where water enters into a home water delivery system after being pumped from a well. For septic systems, in lieu of the point of entry, the point of exit is substituted. The point of exit is the junction where wastewater exits out of the home wastewater collection system into the septic tank and drain field.

<https://www.grants.gov/search-results-detail/353704>

UPCOMING WORK

Community Workshops – The District’s Board of Directors is keenly interested in obtaining community input on potential wastewater solutions. In the next few months, the Board of Directors intends to host community workshops or educational opportunities related to:

- The Property Owner Vote (Proposition 218) Process – August 14, 2024
- Collection Options and Costs – August 21, 2024

The timing of the workshops will be heavily dependent on receiving the final report from REGEN, Stantec and information from the City of Solvang in order to have informed discussion.

ABOUT THE DISTRICT: The [Los Olivos CSD](#) was formed by voters in 2018 to give Los Olivos residents and property owners within the district local control over a local wastewater management solution and to provide a funding mechanism for the construction and operation of the facilities needed to collect, treat, and dispose of sewage, wastewater, and recycled water in Los Olivos.

Stay Informed: [Attend our monthly meetings](#) in person or virtually to stay current with our efforts to determine the best wastewater solution for Los Olivos. This is the most effective way for you to stay informed, to ask questions and get answers, and to ensure your ideas and concerns are heard. We usually post video of meetings on our website within 48 hours should you be unable to attend a meeting in person.

Check the District’s website for meeting agendas and materials at losolivoscscsd.com.

Visit <https://www.losolivoscscsd.com/subscribe> to sign up for email updates. Please encourage your neighbors, local property owners and other interested community members to sign up as well.

If you have any questions about our District’s efforts, please contact Guy Savage, General Manager, at gm.locsd@gmail.com or call him at (805) 500-4098.

Los Olivos Community Services District



Santa Barbara



Julie Kennedy, President
Guy Savage, General Manager

August 2024

ATTACHMENT B



THE DISTRICT

372 Parcels

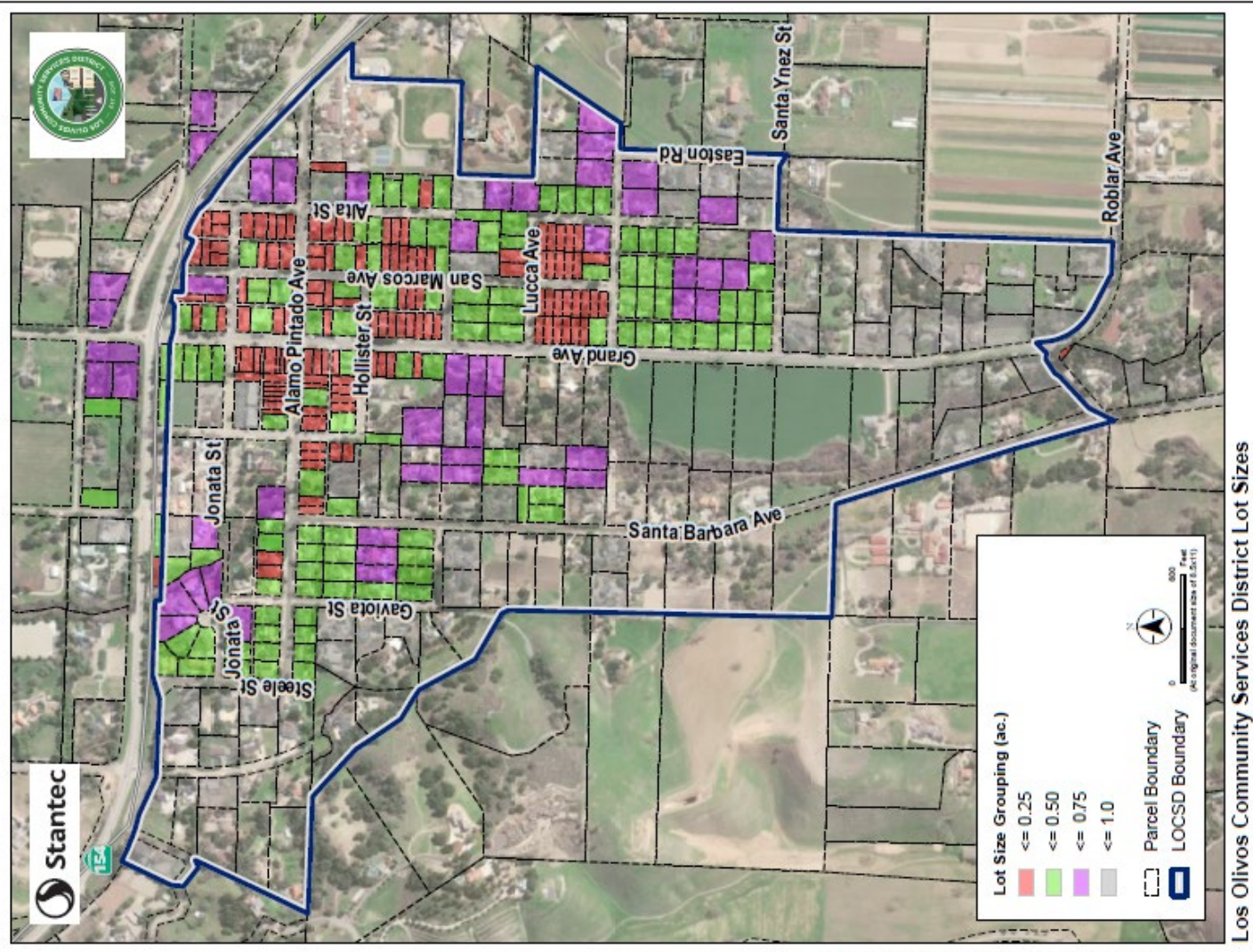
~40 Commercial

~332 Residential

Annual Budget

(FY 2024-25)

\$243,039



Los Olivos Community Services District Lot Sizes

Wastewater Process - Simplified

Collection – takes effluent from your home and moves it to where it will be treated

Treatment – a series of physical and biological processes to separate contaminants in the waste stream

Disposal – reintroduces treated effluent into water cycle (injection, percolation, purple pipe reuse, other uses)





Community Input for Successful Property Owner Vote

Focus on (prioritized order):

- Cost (Construction and O&M)
- Ownership (District / Individual)
- Plant Location (Siting)
- No Growth Inducement
- Odors
- Viewshed Impacts

Underlying assumption that solution meets regulatory requirements and fixes groundwater issues



Completed Activities

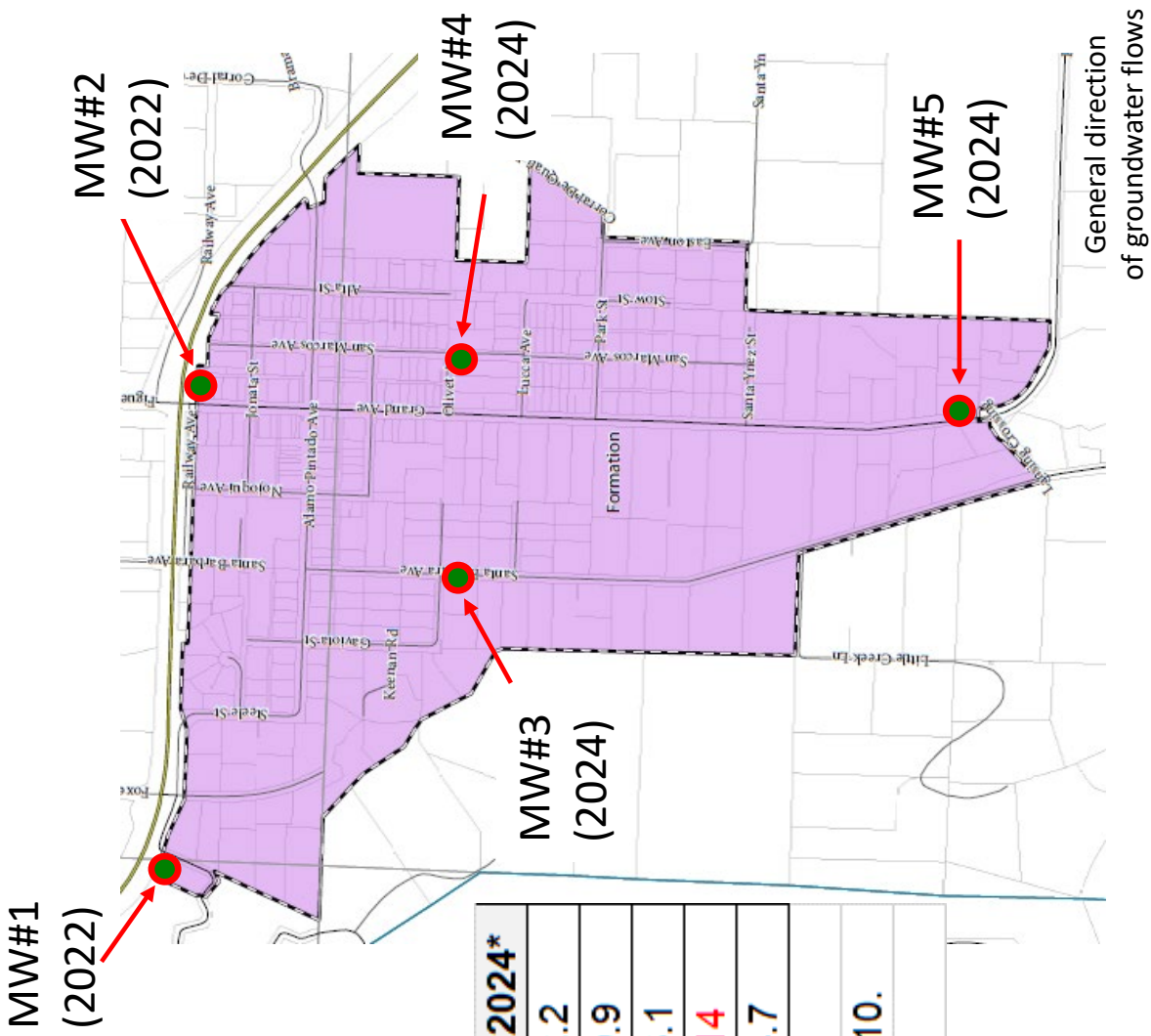
- Design
 - Collection – Gravity-fed (2022) and Effluent (2024)
 - **Treatment**
 - Regional – connect to City of Solvang (Q4 2024)
 - Local – parcel or community
 - Disposal – Community desire for perc chambers
- Plan for entire District – implementation may be phased
 - Commercial will be part of any initial phase

Completed Activities

- Shallow Groundwater Testing
 - Five wells installed and testing completed (2024)
 - Results reconfirm septic tanks contributing to Nitrates
 - Many parcels below MCL



Shallow Groundwater Monitoring Wells



Well	Nov 2022	March 2024	May 2024*
MW-1	2.6	2.5	2.2
MW-2	10	11	9.9
MW-3		6.3	6.1
MW-4		11	14
MW-5		4.5	4.7

Test Results of Nitrate concentrations
The Maximum Contaminate Level allowed is 10.
***May 2024 - "deep" sample results**



What's Next?

- Focused on treatment approaches
 - Connection to Solvang (due Q4 2024)
 - Community and Advanced Onsite
- Additional Public Workshops and Outreach
- Final Project Description
- EIR, Final Design, Prop 218 (Property Owner) Vote
- **Will be back in April 2025 to ask for extension**

Questions and Discussion



- Visit us at:
www.losolivoscsd.com
- Subscribe to our updates:
www.losolivoscsd.com/subscribe
- Contact us:
LosOlivosCSD@gmail.com
(805) 500-4098



ATTACHMENT B



Backup Slides for Q&A (as needed)



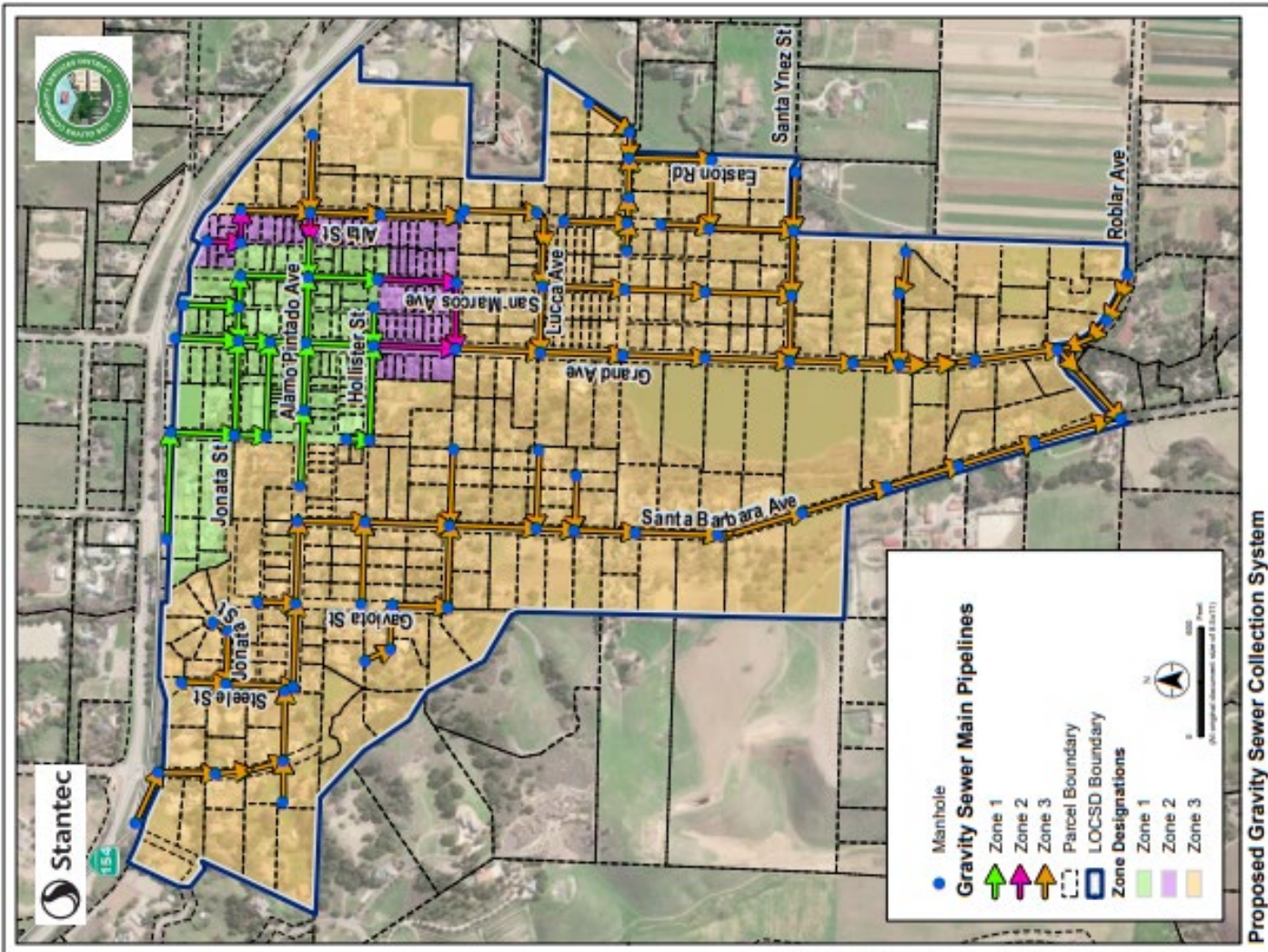
Los Olivos Community Services District Board

- Tom Fayram (2024)
- Nina Stormo (2024)
- Julie Kennedy (2026) - President
- Lisa Palmer (2026) – Vice President
- Greg Parks (2026)





Gravity Fed Collection System





2021 - 30% Design Documents

Gravity fed collection + MBR treatment Option

	North Option	South Option
Zone 1	\$30,300,000	\$28,700,000
Zone 2	\$ 1,700,000	\$ 1,700,000
Zone 3	\$15,800,000	\$15,800,000
Total	\$47,800,000	\$46,200,000

*Does not include laterals from homes, septic system removal

\$125,000 per parcel,
 PLUS: laterals, removal of existing
 septic system, effluent disposal

Effluent Sewer System



Effluent Sewer System

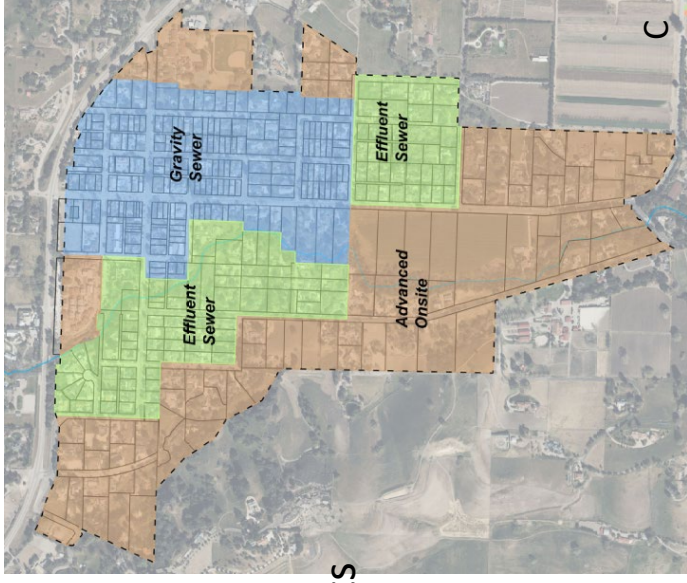
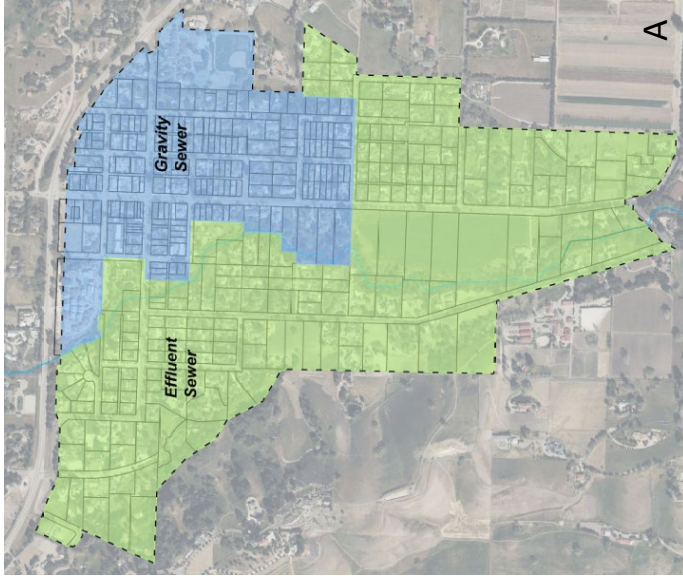
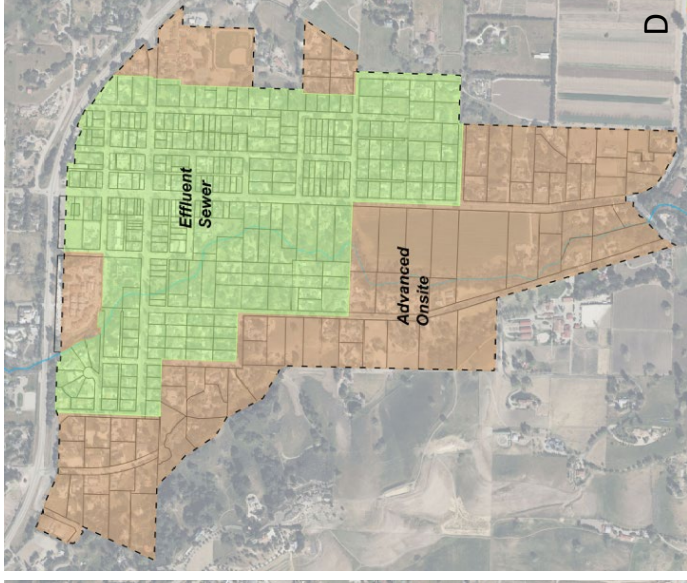
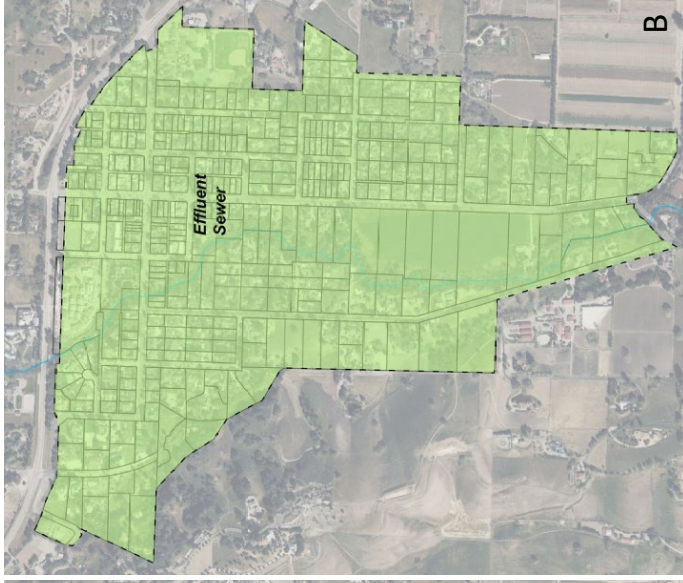


Finding the optimal mix that is supported by the Community

- Gravity collection
- Effluent collection / treatment
- Advanced onsite

Still questions to be answered:

- Ownership
- Easements
- Capital (construction) costs
- Operations / Maintenance costs



2024 – 30% Design Documents

Effluent / Hybrid Approach – Some treatment and collection on individual parcels

Option	Collection System Subtotal	Advanced Onsite Subtotal
A – Gravity Sewer & Effluent Sewer	\$25,503,016	\$0
B – Effluent Sewer all Zones	\$21,637,492	\$0
C – Gravity Sewer, Effluent Sewer & Advanced	\$23,064,728	\$6,734,00
D – Effluent Sewer & Advanced	\$18,669,808	\$6,734,00



INFORMATION ITEM #2

LAFCO MEMORANDUM

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

105 East Anapamu Street • Santa Barbara CA 93101 • (805) 568-3391 + Fax (805) 568-2249

August 1, 2024 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater
Executive Officer

SUBJECT: **Report on the 2024 CALAFCO Annual Conference in Fish Camp**

This is an Informational Report. No Action is Necessary

DISCUSSION

The 2024 CALAFCO Conference will be held in Tenaya Lodge at Yosemite, California, on October 16 through 18, 2024.

Registration for the Annual Conference is now open. Early registration rates are effective through July 31, 2024. Registration closes completely on September 29, 2024.

Please check your calendars and let Commission Analyst/Clerk Natasha Carbajal or myself know if you will be able to attend. Payment may be made online using the LAFCO Credit Card. Hotel reservation cut-off date is September 29, 2024 for the discount rate.

The 2024 Conference CALAFCO Annual Invitation from René LaRoche, the Conference Announcement, and Registration Material is attached for your information. This year an Optional Buffet Dinner for Wednesday is offered at a cost of \$97 per person. Please let us know if your interested when you get registered, we will add this option for interested personnel.

We hope several Commissioners and staff are planning to attend the Conference. Staff will report back to the Commission as the program reaches its final form.

Attachments

Attachment A – René LaRoche's Conference Invitation

Attachment B – Mobile Workshop Flyer

Attachment C – Registration Material

INFORMATIONAL ITEM No. 2

Please contact the LAFCO office if you have any questions.

From: CALAFCO Member Services <members@mg.calafco.org>
Sent: Thursday, June 27, 2024 3:56 PM
To: mike.sblafco@gmail.com
Subject: Conference Registration Open!



2024 CALAFCO ANNUAL CONFERENCE - YOSEMITE - REGISTRATION NOW OPEN!

October 16, 2024 to October 18, 2024

Tenaya Lodge at Yosemite
1122 Highway 41, Fish Camp, CA, 93623

[Add to Calendar](#) [Get Directions](#)



Catch the Early Bird Rates - Through July 31st

Registration is now open for the 2024 CALAFCO Annual Conference to be held at the beautiful [Tenaya Lodge in Fish Camp, California](#). Just a few miles outside the entrance to Yosemite National Park, our venue is nestled amid the towering trees, and even larger mountains. Here we will be learning about LAFCO issues for three days near the grandeur that caused John Muir to remark that *"It [Yosemite] was like lying in a great solemn cathedral, far vaster and more beautiful than any built by the hand of man."*

While the conference doesn't officially kick off until 1:30 pm on Wednesday, October 16, 2024, (and concludes at Noon on Friday) there are two pre-conference activities on Wednesday morning. The first is a LAFCO 101 for new commissioners, or commissioners just needing a brush up. The other pre-conference activity is the [Mobile Workshop \(PDF\)](#), which this year will be heading into Yosemite National Park to learn about the collaboration between the special districts, county, and Federal government to provide services to the residents there.

Session topics include succession planning, partnering with water leaders, environmental justice, small/mutual water companies, technology, your role in reorganizations, and more. Add all of that to round tables, regional caucuses, elections, achievement awards and, of course, great company and food, and it promises to be an unforgettable event! So, plan on joining us October 16th - 18th, as we come together to learn what's affecting the CALAFCO world - and what may be on the horizon!

OPTIONAL WEDNESDAY DINNER:

While Wednesday night dinner is usually "on your own," there is only a small restaurant, and a pizza parlor, within the immediate vicinity of the hotel. Consequently, CALAFCO has arranged an optional buffet dinner on Wednesday evening after the Welcome Reception at a cost of \$97 per person. This represents a pass-through of our expense and is being provided merely as a courtesy to our members. However, it is NOT included in the full registration cost so please make sure to add it to your registration if you are wishing to avail yourself of that option.

TWO WAYS TO REGISTER:

CHECK: Please fill out and mail in the [Conference Registration Form \(PDF\)](#) along with your check. (However, please note that discounts and late fees are determined by the date the registration is received and not when it is mailed.)

CREDIT CARD: Please click on the orange "Register Now" button on this page.

- EARLY BIRD discounts run through July 31st.
- LATE FEES begin on September 1st.
- REGISTRATION CLOSES on September 30, 2024 - no exceptions.

BECOME A SPONSOR

LODGINGS:

A block of rooms has been negotiated with the Tenaya Lodge in Fish Camp, California at a rate of \$205 (plus taxes). To reserve a room, go to <https://bit.ly/2024CALAFCOConference> OR call the Tenaya Lodge directly at (866) 771-9629 and reference CALAFCO.

PLEASE NOTE that rooms are available at the specially negotiated hotel rate only through September 15, 2024, and are subject to availability.

EV:

The Tenaya has confirmed the availability of EV charging stations.

HAVE QUESTIONS?

Check out the [Frequently Asked Questions page](#).

Tickets

\$700.00 Member - Full Conference before July 31

\$800.00 Member - Full Conference

(\$30.00 Late fee beginning September 1st)

\$975.00 Non-Member - Full Conference before July 31

\$1075.00 Non-Member - Full Conference

(\$30.00 Late fee beginning September 1st)

\$550.00 Spouse/Guest Food - All Meals before July 31

\$600.00 Spouse/Guest Food - All Meals

(\$30.00 Late fee beginning September 1st)

\$325.00 Spouse/Guest Food - Wed Reception & Thur Banquet Only before July 31

\$350.00 Spouse/Guest Food - Wed Reception & Thur Banquet Only

(\$30.00 Late fee beginning September 1st)

\$455.00 Member - One Day Registration before July 31

\$555.00 Member - One Day Registration

(\$30.00 Late fee beginning September 1st)

\$750.00 Non-Member - One Day Registration before July 31

\$850.00 Non-Member - One Day Registration

(\$30.00 Late fee beginning September 1st)

\$95.00 Mobile Workshop Wednesday before July 31

\$105.00 Mobile Workshop Wednesday

(\$10.00 Late fee beginning September 1st)

\$75.00 LAFCo 101 (No charge for those with full conference registration. \$75 for all others.)

\$97.00 OPTIONAL Wednesday Night Buffet Dinner

[View Meeting](#)

[REGISTER NOW](#)

[California Association of Local Agency Formation Commissions](#) | [Unsubscribe](#) | [Privacy Policy](#)

1451 River Park Dr., Ste 185
Sacramento, CA 95815



2024

CALAFCO

Annual Conference

WEDNESDAY, October 16TH 7:30 A.M. – 12:30 P.M.

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

Mobile Workshop



THE ROAD TO GLACIER POINT: Mariposa County & Yosemite National Park's Collaborative Service Provision

Learn how Mariposa County and Yosemite National Park are collaborating on service provision through intergovernmental efforts and the engagement of local stakeholders.

This unique half-day mobile workshop will take you on a journey into Yosemite National Park, passing through Fish Camp, Historic Wawona, and Yosemite West before reaching Glacier Point, where you will witness breathtaking views of Half Dome, Yosemite Valley, and the Clark Range. Throughout the tour, you will learn about the collaborative efforts of Mariposa County, Yosemite National Park, and local citizens to tackle issues regarding water provision, solid waste and wastewater management, and emergency services for private and public lands. We will also delve into discussions on related jurisdictional situations, including the Mariposa County - LAFCO relationship.

The workshop will conclude with a boxed lunch at famed Glacier Point.

Don't miss out. Join us for a day of exploration, learning, and enjoyment amid the grandeur of Yosemite National Park!



COST: \$105 (\$10 EB Discount to July 31)
(Includes transportation, YNP Park
Entrance and box lunch)

Limited to the first 50 registrants
7:15 a.m. – Bus loads outside the hotel
7:30 a.m. – Bus departs PROMPTLY
12:30 p.m. – Return to the hotel

Dress in layers and wear closed-toe, closed-back flat shoes, as light walking is required.

ATTACHMENT B

Register online at www.calafco.org or email info@calafco.org for more information.



Annual Conference Registration Form Yosemite, California | October 16-18, 2024

For registration by check. To pay by credit card, visit calafco.org
Registration deadline is September 30, 2024

LAFCo	Received	Check #
-------	----------	---------

Please submit one form for each person registering

First Name	Last Name	Name (on name tag)
LAFCO/Organization	Title	
Guest Name (for guest/spouse registration)		
Mailing Address	City	Zip
Phone	Attendee's Email	
Emergency Contact Name	Phone	I would like vegetarian meal/s: <input type="checkbox"/> Guest/Spouse: <input type="checkbox"/>

Conference Registration Rates

	Early Bird Fee Received by July 31	Standard Fee Received Aug. 1-31	Late Fee Received Sept. 1-29
Member – Full Conference	\$700	\$800	\$830
Non-member – Full Conference	\$975	\$1075	\$1105
Guest/Spouse^ – All Meals	\$550	\$600	\$630
Guest/Spouse^ – Wed Reception/Thur Banquet Only	\$325	\$350	\$380
Member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$455	\$555	\$585
Non-member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$750	\$850	\$880
Mobile Workshop - Wednesday	\$ 95	\$105	\$115
LAFCo 101 (No charge for those with full conference registration. \$75 for all others.)	\$ 75	\$ 75	\$ 75
*OPTIONAL Wednesday Night Dinner	\$ 97	\$ 97	\$ 97
TOTAL REGISTRATION RATE DUE			\$

Payment must accompany registration and must be **RECEIVED** by the applicable deadlines to qualify for discounts. **NO EXCEPTIONS.**

Mail completed forms and check made payable to "CALAFCO" to:

CALAFCO
1451 River Park Drive, Suite 185
Sacramento, CA 95815

Hotel rooms start at \$205 per night if booked before September 16, 2024.

To reserve a room at the Tenaya Lodge visit:
<https://bit.ly/2024CALAFCOConference>
or call directly at **866-771-9629** and reference CALAFCO.

^Guests at meals must purchase their meal. Conference registration meals are not transferrable to guests.

CANCELLATION AND REFUND POLICY

1. Registrations are considered complete upon receipt of fees.
2. Cancellation requests made in writing and received by October 1, 2024, are fully refunded, less transaction and handling fees.*
3. Credits are not issued for any cancellations.
4. Registration fees are transferable to another person not already registered provided the request is received in writing.* Deadline to transfer registrations is October 11, 2024.
5. Registration fees for guests and special events are not transferable but are fully refundable, less transaction and handling fees*, if written requests are received by October 1, 2024.
6. Cancellation requests must be submitted by email to info@calafco.org.
7. Cancellation requests made after October 1, 2024 are not eligible for a refund.

*\$30 handling fee applies.

ATTACHMENT C

INFORMATION ITEM #3

LAFCO MEMORANDUM

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

105 East Anapamu Street • Santa Barbara CA 93101 • (805) 568-3391 + Fax (805) 568-2249

August 1, 2024 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater
Executive Officer

SUBJECT: **Report on the 2024 CALAFCO Legislative Committee Meetings – May 10 & June 14, 2024**

This is an Informational Report. No Action is Necessary

DISCUSSION

The CALAFCO Legislative Committee convened three meetings May 10 & June 14, 2024. Your Executive Officer participated by ZOOM. A copy of the Meeting Agendas is attached as **Attachment A**.

A number of the listed bills, have progressed through the legislative process since the July 12, 2024 meeting. Staff will verbally update the Commission on the status of these bills at the meeting.

Attachments

Attachment A – CALAFCO Legislative Committee Agenda- May 10 & June 14, 2024

Please contact the LAFCO office if you have any questions.



CALAFCO Legislative Committee **MEETING AGENDA**

Friday, May 10, 2024 ♦ 9:00 am – 11:00 am
Virtual via Zoom

<https://us02web.zoom.us/j/86390927812>
Meeting ID: 863 9092 7812
Phone: 669-900-6833

	<i>R. LaRoche</i>	<u>Page</u>
1. 9:00 A.M. Convene and Roll Call	<i>R. LaRoche</i>	
2. Approve Minutes of the March 22, 2024 meeting	<i>R. LaRoche</i>	3
3. Legislation Affecting LAFCOs	<i>R. LaRoche</i>	5
Priority One Bills:		
CALAFCO Sponsored Bills:		
a. AB 3277 (ALGC) Omnibus Bill – Ad Valorem Tax Calculation		9
b. SB 1209 (Cortese) - Indemnification Bill		13
Priority Two Bills: NONE		
Priority Three Bills:		
c. AB 805 (Arambula) Sewer service: disadvantaged communities <i>Position: Support, If Amended</i>		15
<i>Brown Act (Watching):</i>		
d. AB 817 (Pacheco) Open meetings: teleconferencing: subsidiary body		27
e. AB 2302 (Addis) Open meetings: local agencies: teleconferences		31
f. AB 2715 (Boerner) Ralph M. Brown Act: closed sessions		37
g. SB 537 (Becker) Open meetings: local agencies: teleconferences (inactive)		41
4. Tabled Discussion Regarding 56133 Proposal	<i>R. LaRoche</i>	61
5. Receive the List of Tracked Bills		75
6. CALAFCO Items for next meeting		
7. Good of the Order		
8. Adjournment to June 14, 2024 at 9:00 a.m. – to be held virtually		

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CALAFCO Legislative Committee
DRAFT ACTION MEETING MINUTES

Date:	March 22, 2024				
Location:	Held virtually				
Present:					
BOARD MEMBERS:					
<input type="checkbox"/>	CONNELLY, Bill (N)	<input checked="" type="checkbox"/>	McGILL, Michael (Co)	<input checked="" type="checkbox"/>	PAQUE, Anita (Ce)
<input checked="" type="checkbox"/>	GUTIERREZ, Yxstian (S)	<input checked="" type="checkbox"/>	McGREGOR, Derek (S, Alt)	<input type="checkbox"/>	ROOT ASKEW, Wendy (Co, Alt)
<input checked="" type="checkbox"/>	JONES, Gay (Ce, Alt)	<input checked="" type="checkbox"/>	MOHLER, Margie (A/L, Alt)	<input checked="" type="checkbox"/>	SUSMAN, Josh (N, Alt)
				<input type="checkbox"/>	WALLACE, Tamara (A/L, Alt)
STAFF APPOINTMENTS:					
<input checked="" type="checkbox"/>	ALSOP, Clark	<input checked="" type="checkbox"/>	LUCAS, Steve (No, Butte)	<input checked="" type="checkbox"/>	ROMO, Adriana (So, L.A.)
<input type="checkbox"/>	BELL, Gary	<input checked="" type="checkbox"/>	LaROCHE, René	<input type="checkbox"/>	SANTSCHÉ, Colette (No, Humboldt)
<input checked="" type="checkbox"/>	BRAMFITT, Mark (Co, Sonoma)	<input checked="" type="checkbox"/>	LUOMA, Kai (Co, Ventura)	<input checked="" type="checkbox"/>	SERRANO, Joe (Co Alt, Santa Cruz)
<input checked="" type="checkbox"/>	BROWNE, Scott	<input checked="" type="checkbox"/>	LYTLE-PINHEY, Sara (Ce, Stan.)	<input checked="" type="checkbox"/>	SPAUNHURST, Brian (Ce Alt, Fresno)
<input checked="" type="checkbox"/>	de SOUSA, Paula	<input checked="" type="checkbox"/>	McINTYRE, Michelle (Ce, Placer)	<input type="checkbox"/>	STEPHENSON, Jennifer (No, Plumas)
<input checked="" type="checkbox"/>	GRAF, Paula (So, Imperial)	<input checked="" type="checkbox"/>	MUMPOWER, Priscilla (So, Alt, S.D.)		
ADVISORY COMMITTEE:					
<input checked="" type="checkbox"/>	CRAIG, Crystal	<input checked="" type="checkbox"/>	LEROMNIMON, Carolanne	<input type="checkbox"/>	BRAVO, Tara
<input type="checkbox"/>	CRAWFORD, Christine	<input type="checkbox"/>	SANCHEZ, Erica	<input checked="" type="checkbox"/>	FENDER, Brandon
<input type="checkbox"/>	FITZROY, Rob	<input checked="" type="checkbox"/>	TAPIA, Luis	<input type="checkbox"/>	SIMON, Jim
<input type="checkbox"/>	HIGHTOWER, J.D				
GUESTS:	Jonathan Brinkmann (Monterey), Dawn Mittleman (Napa), Paul Novak (Los Angeles), Mike Prater (Santa Barbara), and Jeren Seibel (Marin)				
RECORDER:	René LaRoche				

1. Welcome, Roll Call

9:01 AM: The meeting was called to order by René LaRoche after the quorum was established.

2. Approval of the Minutes of the February 16, 2024 meeting

The minutes were unanimously approved as presented upon motion of Mike McGill, with a second by Margie Mohler.

3. Receive an Update Regarding CALAFCO Legislative Proposals

LaRoche gave the staff reports, with assistance from Paul Novak, Los Angeles LAFCO on SB 1209 (Cortese). Discussion ensued regarding SB 1209.

Under motion of Mohler, with a second by McGill, CALAFCO was unanimously authorized to: 1) Negotiate with CBIA to change the word approval to determination; 2) Seek universal or comprehensive indemnification without limitations, similar to what counties and cities currently have; and 3) If needed, negotiate language to limit the provision to third party claims.

3. (ADDENDUM): New Legislation: H.R. 7525 (the Special District Grant Accessibility Act)

LaRoche gave the staff report. Under motion of Josh Susman, with a second by Anita Paque, the committee unanimously approved a position of support.

4. Tabled Discussion Regarding 56133 Proposal

LaRoche provided an overview of past events, and outlined the recommendation contained in the staff report to narrow the focus to a noticing requirement. Steve Lucas, Butte LAFCO, discussed his support of a noticing requirement. Discussion ensued regarding the merits of the suggestion. The committee asked for sample language to consider before deciding on a shift in focus. Scott Browne and Steve Lucas committed to working on some language to bring to the May meeting.

5. Receive the List of Tracked Bills

LaRoche reported that AB 2557 (Ortega), AB 2596 (Lee), and AB 3152 (Jones-Sawyer) have been gutted and amended to different areas of law, and will be removed from the tracking list as they are no longer of concern to LAFCOs.

6. Items for next meeting

No new items were offered.

7. Good of the Order

None.

8. Adjournment to May 10, 2024, meeting at 9:00 a.m. – to be held virtually

10:23 AM: Chair LaRoche adjourned the meeting, noting that there is no meeting in April due to the Staff Workshop.

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 3277

Introduced by Committee on Local Government

February 27, 2024

An act to amend Section 56810 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3277, as introduced, Committee on Local Government. Local agency formation commission: districts: property tax.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. Existing law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Existing law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined.

This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes. By adding to the duties of a local agency formation commission, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:****SECTION 1.** Section 56810 of the Government Code is amended to read:

56810. (a) (1) If the proposal includes the incorporation of a city, as defined in Section 56043, the commission shall determine the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section and Section 56815.

(2) If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, *and if the applicant is seeking a share of the 1 percent ad valorem property taxes*, the commission shall determine the amount of property tax to be exchanged by the affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal and the services which the new jurisdiction proposes to assume within the area, and identify for the auditor the existing service providers within the area subject to the proposal.

(c) If the proposal would not transfer all of an affected agency's service responsibilities to the proposed city or district, the commission and the county auditor shall do all of the following:

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by each affected local agency pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by each affected local agency in the prior fiscal year. For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which an affected local agency may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue which, by statute, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments which are levied to specifically offset the cost of particular services and do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government which is required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by each affected local agency, an amount equal to the total net cost to each affected local agency during the prior fiscal year of providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the affected local agency and excludes any portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

(3) The commission shall multiply the amount determined pursuant to paragraph (2) for each affected local agency by the corresponding proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by each affected local agency during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount described in the previous sentence by the annual tax increment according to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the new city or district receives its initial allocation of property taxes.

(4) For purposes of this subdivision, in any county in which, prior to the adoption of Article XIII A of the California Constitution, and continuing thereafter, a separate fund or funds were established consisting of revenues derived from the unincorporated area of the county and from which fund or funds services rendered in the unincorporated area have been paid, the amount of property tax revenues derived pursuant to paragraph (3), may, at the discretion of the commission, be transferred to the proposed city over a period not to exceed 12 fiscal years following its incorporation. In determining whether the transfer of the amount of property tax revenues determined pursuant to paragraph (3) shall occur entirely within the fiscal year immediately following the incorporation of the proposed city or shall be phased in over a period not to exceed 12 full fiscal years following the incorporation, the commission shall consider each of the following:

(A) The total amount of revenue from all sources available to the proposed city.

(B) The fiscal impact of the proposed transfer on the transferring agency.

(C) Any other relevant facts which interested parties to the exchange may present to the commission in written form.

The decision of the commission shall be supported by written findings setting forth the basis for its decision.

(d) If the proposal would transfer all of an affected agency's service responsibilities to the proposed city or district, the commission shall request the auditor to determine the property tax revenue generated for the affected service providers by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to paragraph (3) of subdivision (c) or subdivision (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to paragraph (4) of subdivision (c), at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the new jurisdiction.

(f) The amendments to this section enacted during the 1985–86 Regular Session of the Legislature shall apply to any proposal described in subdivision (a) for which a certificate of completion is recorded with the county recorder on or after January 1, 1987.

(g) For purposes of this section, "prior fiscal year" means the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform the calculations required by this section are available preceding the issuance of the certificate of filing.

(h) An action brought by a city or district to contest any determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section shall be commenced within three years of the effective date of the city's incorporation or the district's formation. These actions may be brought by any city that incorporated or by any district that formed on or after January 1, 1986.

(i) This section applies to any city that incorporated or district that formed on or after January 1, 1986.

(j) The calculations and procedures specified in this section shall be made prior to and shall be incorporated into the calculations specified in Section 56815.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

SENATE BILL**NO. 1209****Introduced by Senator Cortese**

February 15, 2024

An act to add Section 56383.5 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1209, as introduced, Cortese. Local agency formation commission: indemnification.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. The act continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified.

This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

SECTION 1. Section 56383.5 is added to the Government Code, to read:

56383.5. The commission may require, as a condition for processing a change of organization or reorganization, a sphere amendment or a sphere update, or any other action or determination requested from the commission, that the applicant agrees to defend, indemnify, and hold harmless the commission, its agents, officers, and employees from any claim, action, or proceeding against the commission, its agents, officers, or employees arising from or relating to the action or determination by the commission.

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AMENDED
IN
ASSEMBLY
JANUARY 22, 2024

AMENDED
IN
ASSEMBLY
MARCH 09, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 805

Introduced by Assembly Member Arambula

February 13, 2023

An act to amend Sections ~~116682 and 116686 of the Health and Safety Code, relating to drinking water~~, 13288 and 13442 of, and to add Section 13289.5 to, the Water Code, relating to water quality, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 805, as amended, Arambula. ~~Drinking water consolidation; sewer service.~~ *Sewer service; disadvantaged communities.*

~~Existing law, 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, or extension of service from, a receiving water system in either of the following circumstances: (1) a public water system or state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water, or is an at-risk water system, or (2) 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, or are at-risk domestic wells.~~

~~This bill would authorize the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities, including, but not limited to, consulting with the relevant regional water board and the receiving water system and conducting outreach to ratepayers and residents served by the receiving and subsumed water systems, as provided.~~

~~Existing law authorizes the state board, if sufficient funds are available, to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of these services to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water.~~

~~The bill would also authorize the state board to require the administrator to provide administrative, technical, legal, or managerial services for any sewer service provided by the designated water system.~~

Under existing law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Existing law authorizes a regional board to order the provision of sewer service by a receiving sewer system, as defined, to a disadvantaged community served by an inadequate onsite sewage treatment system, as defined.

This bill would authorize the state board to require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the provision of adequate sewer service, as defined. The bill would also authorize the state board to order a designated sewer system to accept those services, including full management and control of all aspects of the designated sewer system, from an administrator. The bill would define "designated sewer system" for these purposes as a sewer system

that serves a disadvantaged community and that the state board finds to be either an inadequate sewage treatment system or a sewer system that has demonstrated difficulty in maintaining technical, managerial, and financial capacity to prevent fraud and mismanagement, or a sewer system that voluntarily accepts financial assistance for the provision of adequate sewer service.

The bill would require the state board to take specified actions before determining that a sewer service provider is a designated sewer system, including providing the sewer service provider an opportunity to show that it has taken steps to timely address its failure to provide adequate sewer service, conducting a public meeting, and providing an opportunity for public comment. The bill would authorize the state board to grant specified authority over the designated sewer system to the administrator, including the authority to expend money for various purposes and to set and collect sewer rates and fees, subject to approval by the state board. The bill would require the state board to work with the administrator and the communities served by the designated sewer system to develop, within the shortest practicable time, adequate technical, managerial, and financial capacity to deliver adequate sewer service so that the services of the administrator are no longer necessary.

Existing law creates the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund and continuously appropriates moneys in the account to the state board for specified purposes, including providing grants for cleaning up a waste, abating the effects of a waste on waters of the state, or addressing an urgent drinking water need, as provided.

This bill would authorize the state board to also use moneys in the account to provide grants to administrators to provide administrative, technical, operational, legal, or managerial services to a sewer service provider. By expanding the purposes for which moneys in a continuously appropriated account may be spent, the bill would make an appropriation.

This bill would declare that it is to take effect immediately as an urgency statute.

Digest Key

Vote: **majority 2/3** Appropriation: **noyes** Fiscal Committee: **yes** Local Program: **no**

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 13288 of the Water Code is amended to read:*

13288. For purposes of this chapter, the following definitions apply:

(a) "Adequate sewer service" means sanitary sewer service provided by a sewer service provider that does not have the potential to cause a violation of water quality objectives, impair present or future beneficial uses of water, cause pollution, nuisance, or contamination of waters of the state, or unreasonably degrade the waters of the state.

(b) "Administrator" means a person whom the state board has determined is competent to perform the administrative, technical, operational, legal, or managerial services required for purposes of this chapter, pursuant to criteria set forth in the handbook described in subdivision (h) of Section 13289.5.

(a)

(c) "Affected residence" means a residence within a disadvantaged community that may be subject to provision of sewer service pursuant to this chapter.

(b)

(d) "Affected resident" means a resident or a property owner of an affected residence.

(c)

(e) "Annexation" has the same meaning as set forth in Section 56017 of the Government Code.

(f) "Designated sewer system" means a sewer system that serves a disadvantaged community and that the state board finds to be either an inadequate sewage treatment system or a sewer system that has demonstrated difficulty in maintaining technical, managerial, and financial capacity to prevent fraud and mismanagement. "Designated sewer system" also includes a voluntary participant.

(d)

(g) "Disadvantaged community" means a disadvantaged community as defined in Section 79505.5.

(e)

(h) "Extension of service" has the same meaning as set forth in Section 56133 of the Government Code.

(f)

(i) "Inadequate onsite sewage treatment system" means an onsite sewage treatment system that has the reasonable potential to cause a violation of water quality objectives, to impair present or future beneficial uses of water, or to cause pollution, nuisance, or contamination of waters of the state.

(j) "Inadequate sewage treatment system" means a sewer system that has the reasonable potential to cause a violation of water quality objectives, to impair present or future beneficial uses of water, or to cause pollution, nuisance, or contamination of waters of the state.

(g)

(k) (1) "Onsite sewage treatment system" means an onsite sewage treatment system, as defined in Section 13290, that is not operated by a local agency, as defined in Section ~~56064~~ 56054 of the Government Code, or a utility regulated by the Public Utilities Commission.

(2) "Onsite sewage treatment system" includes, but is not limited to, a septic tank, cesspool, leach field, and seepage pit.

(h)

(l) "Provision of sewer service" means the provision of sanitary sewer service, including the collection or treatment of sewage, to a disadvantaged community by any of the following processes:

(1) Annexation where the receiving sewer system is a special district.

(2) Extension of service where the receiving sewer system is a city, county, or special district.

(3) Additional sewer service provided within city, county, or special district boundaries.

(i)

(m) "Receiving sewer system" means the sewer system that provides service to a disadvantaged community pursuant to this chapter.

(n) "Sewer service provider" means any local agency that provides sanitary sewer service.

(j)

(o) "Special district" means a special district as defined in Section 56036 of the Government Code.

(p) "Voluntary participant" means the owner of an onsite sewage treatment system or sewer service provider who has agreed to accept financial assistance for the provision of adequate sewer service.

SEC. 2. *Section 13289.5 is added to the Water Code, immediately following Section 13289, to read:*

13289.5. (a) (1) For a designated sewer system, the state board may do any of the following:

(A) (i) Require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services, or any combination of those services, to assist the designated sewer system with the provision of adequate sewer service.

(ii) To fulfill the requirements of this section, a sewer service provider may contract with more than one administrator, but only one administrator may be used to provide services to a given designated sewer system. An administrator that is not designated or approved by the state board shall not be used for purposes of this section.

(iii) An administrator may provide services to more than one designated sewer system.

(B) Order a designated sewer system to accept administrative, technical, operational, legal, or managerial services, including full management and control of all aspects of the designated sewer system, from an administrator selected by the state board.

(C) Order a designated sewer system to accept administrative, technical, operational, legal, or managerial services from an administrator appointed by the state board for full oversight of construction or development projects related to an

annexation or extension of service, including, but not limited to, accepting loans and grants issued by the state board and entering into contracts on behalf of the designated sewer system.

(2) In performing its duties pursuant to paragraph (1), the state board may use criteria from the handbook adopted pursuant to subdivision (g) of Section 116686 of the Health and Safety Code.

(b) The state board shall do all of the following before determining that a sewer service provider is a designated sewer system:

(1) Provide the sewer service provider with notice and an opportunity to show that the sewer service provider has taken steps to timely address its failure to provide adequate sewer service.

(2) (A) Conduct a public meeting in a location as close as feasible to the affected community.

(B) The state board shall make reasonable efforts to provide a 30-day notice of the public meeting to affected ratepayers, renters, and property owners.

(C) The state board shall provide representatives of the sewer service provider, affected ratepayers, renters, and property owners with an opportunity to present oral and written comments at the public meeting.

(D) The state board shall provide an opportunity for public comment at the meeting.

(3) Provide the public with an opportunity to submit comments by mail or electronically during the 30-day notice period and for at least one week after the public meeting described in paragraph (2).

(c) The state board shall make financial assistance available to an administrator of a designated sewer system, as appropriate and to the extent that funding is available.

(d) The authority granted to an administrator by the state board pursuant to subdivision (a) may include, but is not limited to, the authority to do all of the following:

(1) Expend available money for capital infrastructure improvements that the designated sewer system needs to provide adequate sewer service.

(2) Set and collect user sewer rates and fees, subject to approval by the state board. The state board shall consider affordability when approving sewer rates and fees. The provisions of this section are subject to all applicable constitutional requirements, including Article XIII D of the California Constitution.

(3) Expend available money for operation and maintenance costs of the designated sewer system.

(4) Expend available money necessary for an annexation or extension of service, including conducting feasibility or planning studies, or addressing outstanding technical or legal issues.

(e) The state board shall work with the administrator of a designated sewer system and the communities served by that designated sewer system to develop, within the shortest practicable time, adequate technical, managerial, and financial capacity to deliver adequate sewer service so that the services of the administrator are no longer necessary.

(f) A designated sewer system shall not be responsible for any costs associated with an administrator that are higher than the costs necessary to maintain the designated sewer system and provide adequate sewer service.

(g) A designated sewer system shall be responsible for funding the activities of an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to the designated sewer system. The state board shall not be responsible for providing funding for those activities.

(h) Before ordering a designated sewer system to accept administrative, technical, operational, legal, or managerial services from an administrator pursuant to subdivision (a), the state board shall develop standards, terms, and procedures, to be incorporated in the handbook adopted pursuant to subdivision (g) of Section 116686 of the Health and Safety Code, consistent with the process provided in subdivision (a) of Section 116760.43 of the Health and Safety Code, for all of the following:

(1) Ensuring compliance with subdivision (f).

(2) Providing opportunity for public comment on the selection of an administrator and the services to be provided.

(3) Providing public access to budgets, ownership and financial information, and other documents and records related to the provision of sewer service to affected residences and to the management of the designated sewer system by the administrator.

(4) *Providing regular public meetings, notifications, opportunities for public comment, and other forms of engagement with customers of the designated sewer system for significant decisions or actions made on behalf of the designated sewer system, including, but not limited to, establishing operating budgets, altering sewer rates, adopting system policies, entering into long-term contracts or financing commitments, and developing system projects or plans.*

(5) *Formal requests to the state board to reverse or modify a decision of an administrator or to request substitution of an administrator.*

(6) *Ensuring an administrator acts in the best interests of the community served.*

(7) *Development and approval of a post-administrator sewer service plan to ensure compliance with subdivision (e). Development of the plan shall include, but is not limited to, an evaluation of long-term public governance or community ownership options.*

(i) *An administrator appointed pursuant to this section for a designated sewer system shall not be liable for claims by past or current ratepayers, or by those affected by the sewer service provided by the designated sewer system, in either of the following circumstances:*

(1) *If good faith, reasonable effort, and ordinary care were used by the administrator to assume possession of, or to operate, the sewer service provider.*

(2) *For any injury or damages that occurred before the commencement of the operation period.*

(j) *This section does not limit or supersede any other law authorizing claims against the state board or providing a defense to liability, and shall not be construed to create any new or expanded basis for liability.*

(k) *Nothing in this section shall be construed to do any of the following:*

(1) *Relieve a sewer service provider or any other entity from complying with any provision of federal or state law, including those pertaining to water quality.*

(2) *Impair any cause of action by the Attorney General, a district attorney, a city attorney, or other public prosecutor, or impair any other action or proceeding brought by, or on behalf of, a regulatory agency.*

(3) *Impair any claim alleging the taking of property without compensation within the meaning of either the Fifth Amendment to the United States Constitution or Section 19 of Article I of the California Constitution.*

(4) *Relieve any person or entity from liability for action or inaction in bad faith, or without reasonable effort or ordinary care.*

(l) *Nothing in this section shall absolve, indemnify, or protect a prior operator, designated sewer system, or individual from liability based on an act or failure to act prior to the operation period.*

(m) *Administrative and managerial contracts pursuant to this section shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and may be awarded on a noncompetitive bid basis as necessary to implement the purposes of this section.*

(n) *This section does not apply to a charter city, charter county, or charter city and county.*

(o) *For purposes of this section, an administrator is authorized to act on behalf of an affected residence to the same extent, and in the same manner, as a designated sewer system with the consent of the affected residence.*

SEC. 3. *Section 13442 of the Water Code is amended to read:*

13442. (a) Upon application by an eligible entity, as described in subdivision (b), the state board may approve the payment of grant moneys from the account to that entity to assist in cleaning up a waste, abating the effects of a waste on waters of the state, *addressing actions required pursuant to Section 13289.5*, or addressing an urgent drinking water need without regard to whether the need for drinking water is a result of the discharge of waste.

(b) An entity is eligible to apply for funding pursuant to this section if that entity has authority to undertake the activity described in subdivision (a) for which it seeks moneys and the entity is any of the following:

(1) A public agency.

(2) A tribal government that is on the California Tribal Consultation List maintained by the Native American Heritage Commission and is a disadvantaged community, as defined in Section 79505.5, that agrees to waive tribal sovereign immunity for the explicit purpose of regulation by the state board pursuant to this division.

(3) A not-for-profit organization serving a disadvantaged community, as defined in Section 79505.5.

(4) A community water system, as defined in Section 116275 of the Health and Safety Code, that serves a disadvantaged community, as defined in Section 79505.5.

(5) An administrator, as defined in Section 13288.

(c) An eligible entity shall not become liable to the state board for repayment of moneys paid to the entity under this section and expended in accordance with the state board's approval of payment, but this shall not be a defense to an action brought pursuant to subdivision (c) of Section 13304 for the recovery of moneys paid under this section.

(d) Projects using moneys that are paid to an eligible entity pursuant to this section shall be exempt from state contracting and procurement requirements set forth in the Government Code and the Public Contract Code to the extent necessary to take immediate action to protect public health and safety.

(e) The state board may adopt guidelines for the allocation and administration of these moneys that shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 4. *This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:*

In order to authorize the State Water Resources Control Board to take appropriate action as soon as possible to ensure that adequate, sanitary sewer service is provided to communities, it is necessary for this act to take effect immediately.

SECTION 1. ~~Section 116682 of the Health and Safety Code is amended to read:~~

~~116682.(a)(1)The state board, in circumstances described in subparagraph (A) or (B), may order consolidation with a receiving water system as provided in this section and Section 116684. The consolidation may be physical or operational. The state board may also order the extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The consolidation shall occur within six months of the initiation of the extension of service. The state board may set timelines and performance measures to facilitate completion of consolidation.~~

~~(A)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, or is an at-risk water system.~~

~~(B)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, or are at-risk domestic wells.~~

~~(2)No later than July 1, 2020, the state board shall develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the state board to consider ordering consolidation. The state board shall adopt the policy in a policy handbook consistent with the process provided for in subdivision (a) of Section 116760.43.~~

~~(b)Before ordering consolidation or extension of service as provided in this section, the state board shall do all of the following:~~

~~(1)Encourage voluntary consolidation or extension of service.~~

~~(2)Consider other enforcement remedies specified in this article.~~

~~(3)Consult with, and fully consider input from, the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, whether the consolidation or extension of service is cost effective, and any other relevant information.~~

~~(4)Consult with, and fully consider input from, the Public Utilities Commission when the consolidation would involve a water corporation subject to the commission's jurisdiction. If a receiving water system is regulated by the Public Utilities Commission, the state board shall inform the commission at least 60 days before the consolidation order, and upon issuance of the order the commission shall open a proceeding to determine cost allocation, ratemaking, and commission public participation requirements for the consolidation process.~~

~~(5)Consult with, and fully consider input from, the local government with land use planning authority over the affected area, particularly regarding any information in the general plan required by Section 65302.10 of the Government Code.~~

~~(6)Consult with, and fully consider input from, the potentially receiving water system and all public water systems in the chain of distribution of the potentially receiving water system. The input from the potentially receiving water system may include, but is not limited to, information related to the classification of the potentially subsumed water system as an at-risk water system or a state small water system or of at-risk domestic wells.~~

~~(7)Consult with, and fully consider input from, any groundwater sustainability agency in a basin that provides groundwater supply, in whole or in part, to the affected area.~~

~~(8)(A) Notify the potentially receiving water system and the potentially subsumed water system, if any, and establish a reasonable deadline of no less than six months, unless a shorter period is justified, for the potentially receiving water system and the potentially subsumed water system, if any, to negotiate consolidation or another means of providing an adequate supply of safe drinking water.~~

~~(B) During this period, the state board shall provide technical assistance and work with the potentially receiving water system and the potentially subsumed water system to develop a financing package that benefits both the receiving water system and the subsumed water system.~~

~~(C) Upon a showing of good cause, the deadline may be extended by the state board at the request of the potentially receiving water system, potentially subsumed water system, the local agency formation commission with jurisdiction over the potentially subsumed water system, or the Public Utilities Commission.~~

~~(9) Consider the affordability of the anticipated monthly rates for drinking water service to residential customers of the potentially subsumed water system.~~

~~(10)(A) Hold at least one public meeting at the initiation of this process in a place as close as feasible to the affected areas. The state board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and all affected local government agencies and drinking water service providers. The 30-day notice shall include information about water quality concerns in the area, relevant information about health effects of water contaminants, and information about opportunities for consolidation or extension of service to address water quality issues. The meeting shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, the potentially receiving water system, and the public an opportunity to present oral and written comments.~~

~~(B) The state board shall provide an opportunity to submit comments by mail or electronically during the notice period and for at least one week after the meeting.~~

~~(C) The state board shall review comments received during the meeting and received by mail and electronically during the notice period and for one week after the public meeting.~~

~~(11) If the potentially subsumed water system to be consolidated into the receiving water system is an at-risk water system, the state board shall do all of the following:~~

~~(A) Conduct outreach to ratepayers and residents served by the at-risk water system, including identifiable local community groups. These outreach efforts shall gauge community support for consolidation of the at-risk water system. The state board shall consider the results of this outreach when deciding whether to order consolidation of the at-risk water system.~~

~~(B) Consider any petition submitted pursuant to paragraph (2) of subdivision (a) by members of a disadvantaged community served by the at-risk water system.~~

~~(C)(i) If the potentially subsumed water system contends during the initial written comment period set forth in subparagraph (B) of paragraph (10) that it is not an at-risk water system, the state board shall consider during a public meeting any information provided by the potentially subsumed water system in support of its contention that it is not an at-risk water system.~~

~~(ii) The state board shall make reasonable efforts to provide a 30-day notice of the public meeting described in clause (i) to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and all affected local government agencies and drinking water service providers.~~

~~(c) If a consolidation or other means of providing an adequate supply of safe drinking water has not been negotiated by the potentially receiving water system and the potentially subsumed water system before the expiration of the deadline set by the state board pursuant to paragraph (8) of subdivision (b), the state board shall do the following:~~

~~(1) Consult with the potentially receiving water system and the potentially subsumed water system, if any.~~

~~(2)(A) If the consolidation has not concluded within six months following the first public meeting held pursuant to paragraph (10) of subdivision (b), conduct a public meeting in a location as close as feasible to the affected communities. The meeting shall be held after the state board has made the findings described in subdivision (d).~~

~~(B) The state board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers, renters, property owners to receive water service through service extension or in the area of the subsumed water system, and the public, and to all affected local government agencies and drinking water service providers.~~

~~(C) The meeting shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present oral and written comments.~~

~~(D) The meeting shall provide an opportunity for public comment.~~

~~(3)The state board shall make reasonable efforts to ensure that a receiving water system and a subsumed water system are informed on a regular basis of progress regarding actions taken pursuant to this section.~~

~~(d)Before ordering consolidation or extension of service, the state board shall find all of the following:~~

~~(1)The potentially subsumed water system has consistently failed to provide an adequate supply of safe drinking water or it is at risk of doing so, as determined by the state board.~~

~~(2)Reasonable efforts to negotiate voluntary consolidation or extension of service were made.~~

~~(3)Consolidation of the receiving water system and subsumed water system or extension of service is appropriate and technically and economically feasible. In making this finding, the state board shall consider how many owners of dwelling units served by domestic wells in the service area have provided, or are likely to provide, written consent to extension of service. The state board need not find that any specific percentage of the owners of dwelling units served by domestic wells in the service area are likely to consent to the consolidation or extension of service to serve their dwelling unit.~~

~~(4)There is no pending local agency formation commission process that is likely to resolve the problem in a reasonable amount of time.~~

~~(5)Concerns regarding water rights and water contracts of the subsumed and receiving water systems have been adequately addressed.~~

~~(6)Consolidation or extension of service is an effective and cost-effective means to provide an adequate supply of safe drinking water.~~

~~(7)The capacity of the proposed interconnection needed to accomplish the consolidation is limited to serving the current customers of the subsumed water system, infill sites within the community served by the subsumed water system, residents of disadvantaged communities in existence as of the date of consolidation and that are located along the service line connecting the subsumed water system and the receiving water system, and vacant lots within the community served by the subsumed water system that are zoned to allow residential use and have no more than one other vacant lot between that parcel and an infill parcel, including capacity needed for services such as firefighting.~~

~~(e)Upon ordering consolidation or extension of service, the state board shall do all of the following:~~

~~(1)As necessary and appropriate, as determined by the state board, compensate the receiving water system for any capacity lost as a result of the consolidation or extension of service either by paying the water system's capacity charge set out in the water system's adopted rate structure or by providing additional capacity needed as a result of the consolidation or extension of service, and by paying legal fees. When the receiving water system is compensated for capacity lost by payment of a capacity charge, the capacity charge shall be paid only to the extent that it does not exceed the reasonable cost of providing the service in accordance with Section 66043 of the Government Code. If capacity beyond what is needed for consolidation is provided by a project funded through the state board, the state board shall retain an option to use that capacity for future consolidations, without paying additional capacity charges, for five years, unless it releases that option in writing. Funding pursuant to this paragraph is available for the general purpose of providing financial assistance for the infrastructure needed for the consolidation or extension of service and does not need to be specific to each individual consolidation project. The state board shall provide appropriate financial assistance for the water infrastructure needed for the consolidation or extension of service. The state board's existing financial assistance guidelines and policies shall be the basis for the financial assistance.~~

~~(2)Ensure payment of standard local agency formation commission fees caused by state board-ordered consolidation or extension of service.~~

~~(3)Adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system, as determined by the Public Utilities Commission or the state board.~~

~~(4)Coordinate with the appropriate local agency formation commission and other relevant local agencies to facilitate the change of organization or reorganization.~~

~~(5)If ordering consolidation or extension of service between two water systems, consider any existing domestic wells within the service area that could also be subject to consolidation or extension of service pursuant to this section.~~

~~(6)If ordering consolidation or extension of service to a community containing residences served by domestic wells, 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.~~

~~(f)If funds are appropriated for this purpose, the state board may make funds available for the purposes of subdivision (e), as necessary and appropriate, to the receiving water system, the subsumed water system, or an administrator providing full oversight of construction or development projects related to a consolidation or extension of service.~~

~~(g)(1) For purposes of this section, fees, charges, and terms and conditions that may be imposed on new and existing customers of a receiving water system shall be subject to the following limitations:~~

~~(A) The consolidated water system shall not increase charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customers receive a corresponding benefit.~~

~~(B) Except as provided in paragraph (2), fees or charges imposed on a customer of a subsumed water system shall not exceed the costs of the service.~~

~~(C) Except as provided in paragraph (2), the receiving water system shall not charge any fees to, or place conditions on, customers of the subsumed water system that it does not charge to, or impose on, new customers that are not subject to the consolidation with the receiving water system.~~

~~(2)(A) Notwithstanding subparagraph (B) or (C) of paragraph (1), if costs incurred by the receiving water system in completing the consolidation or extension of service are not otherwise recoverable as provided in subparagraph (B) of this paragraph, the receiving water system may charge fees to customers of the subsumed water system to recover those costs.~~

~~(B) A receiving water system shall not charge a fee pursuant to subparagraph (A) for costs that are otherwise recoverable from the state, the federal government, programs administered by local agencies, parties responsible for causing contamination that the consolidation or extension of service is designed to address, or other sources, as determined by the state board.~~

~~(h) The state board shall not, pursuant to this section, fund public works or upgrades unrelated to the delivery of an adequate supply of affordable, safe drinking water, including, but not limited to, the installation of streetlights, sidewalks, curbs, and gutters. A local agency's decision whether to provide these public works or upgrades shall not delay the consolidation or extension of service.~~

~~(i) When a public water system is operated by a local educational agency, the state board may order a receiving water system to consolidate or extend service to a public water system operated by a local educational agency pursuant to this section if both the following additional conditions are met:~~

~~(1) The local educational agency serves students from one or more census blocks that are disadvantaged communities.~~

~~(2) The state board obtains a written determination from the local educational agency that the state board's analysis in the financing package, developed pursuant to subparagraph (B) of paragraph (8) of subdivision (b), indicates that consolidating or extending service would not result in additional unacceptable costs to the local educational agency and would result in safe drinking water being available to the local educational agency.~~

~~(j) An order pursuant to this section shall not require consolidation or extension of service to a residence served solely by a domestic well until an owner of the affected residence provides written consent to the consolidation or extension of service. Any domestic well owner within the consolidation or extended service area that does not provide written consent shall be ineligible, until the consent is provided, for any future water-related grant funding from the state other than funding to mitigate a well failure, disaster, or other emergency.~~

~~(k) A finding that a disadvantaged community, in whole or in part, is substantially reliant on at-risk domestic wells shall be based on the maps created pursuant to paragraph (1) of subdivision (a) of Section 116772 and inspection or testing of the domestic wells showing an imminent risk of failing to provide an adequate supply of safe drinking water.~~

~~(f) The state board may prioritize consolidation of an at-risk water system that has historically been overburdened by pollution and industrial development or faced other environmental justice hurdles.~~

~~(m) Division 3 (commencing with Section 56000) of Title 5 of the Government Code does not apply to an action taken by the state board pursuant to this section.~~

~~(n) If sufficient funding is available, the state board may order consolidation of sewer service along with an order of consolidation of drinking water pursuant to this section, when both the subsumed water system and receiving water system provide sewer service, after doing all of the following:~~

~~(1) Consulting with, and fully considering input from, the relevant regional water board.~~

~~(2) Consulting with, and fully considering input from, the receiving water system.~~

~~(3) Conducting outreach to ratepayers and residents served by the receiving water system and subsumed water system, including identifiable local community groups. These outreach efforts shall gauge community support for consolidation of the subsumed water system. The state board shall consider the results of this outreach when deciding whether to order consolidation of the sewer services of the subsumed water system.~~

~~SEC. 2. Section 116686 of the Health and Safety Code is amended to read:~~

~~116686.(a)(1)To provide an adequate supply of affordable, safe drinking water to disadvantaged communities, voluntary participants, and public water systems that have demonstrated difficulty in maintaining technical, managerial, and financial capacity and to prevent fraud, waste, and abuse, the state board may do any of the following, if sufficient funding is available:~~

~~(A)(i)Contract with, or provide a grant to, an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to a designated water system to assist the designated water system with the provision of an adequate supply of affordable, safe drinking water, which services may include steps necessary to enable consolidation:~~

~~(ii)To fulfill the requirements of this section, the state board may contract with more than one administrator, but only one administrator may be assigned to provide services to a given designated water system:~~

~~(iii)An administrator may provide services to more than one designated water system:~~

~~(B)Order a designated water system to accept administrative, technical, operational, legal, or managerial services, including full management and control of all aspects of the designated water system, from an administrator selected by the state board:~~

~~(C)Order a designated water system to accept administrative, technical, operational, legal, or managerial services from an administrator appointed by the state board for full oversight of construction or development projects related to a consolidation or extension of service, including, but not limited to, accepting loans and grants issued by the state board and entering into contracts on behalf of the designated water system:~~

~~(2)In performing its duties pursuant to paragraph (1), the state board may use criteria from the handbook adopted pursuant to subdivision (g):~~

~~(3)When contracting with, or ordering a designated water system to accept, an administrator pursuant to paragraph (1), the state board may also require the administrator to provide administrative, technical, legal, or managerial services for any sewer service provided by the designated water system:~~

~~(b)Unless the state board has already held a public meeting pursuant to subdivision (b) of Section 116682, the state board shall do all of the following to determine that a public water system or state small water system is a designated water system:~~

~~(1)Provide the public water system or state small water system with notice and an opportunity to show either of the following:~~

~~(A)That the public water system or state small water system has neither consistently failed to provide an adequate supply of affordable, safe drinking water nor is it an at-risk water system:~~

~~(B)That the public water system or state small water system has taken steps to timely address its failure to provide an adequate supply of affordable, safe drinking water and that it is not an at-risk water system:~~

~~(2)(A)Conduct a public meeting in a location as close as feasible to the affected community:~~

~~(B)The state board shall make reasonable efforts to provide a 30-day notice of the public meeting to affected ratepayers, renters, and property owners:~~

~~(C)The state board shall provide representatives of the public water system or state small water system, affected ratepayers, renters, and property owners with an opportunity to present oral and written comments at the public meeting:~~

~~(D)The state board shall provide at the meeting an opportunity for public comment:~~

~~(3)Provide the public with an opportunity to submit comments by mail or electronically during the 30-day notice period and for at least one week after the public meeting described in paragraph (2):~~

~~(4)If the public water system is operated by a local educational agency, obtain the local educational agency's agreement, in writing, to the appointment of an administrator:~~

~~(c)The state board shall make financial assistance available to an administrator of a designated water system, as appropriate and to the extent that funding is available:~~

~~(d)The authority granted to an administrator by the state board pursuant to subdivision (a) may include, but shall not be limited to, the authority to do all of the following:~~

~~(1)Expend available moneys for capital infrastructure improvements that the designated water system needs to provide an adequate supply of affordable, safe drinking water or to execute a consolidation ordered pursuant to Section 116682:~~

~~(2)Set and collect user water rates and fees, subject to approval by the state board. The state board shall consider affordability when approving water rates and fees. The provisions of this section are subject to all applicable constitutional requirements, including Article XIII D of the California Constitution.~~

~~(3) Expend available moneys for operation and maintenance costs of the designated water system.~~

~~(4) Expend available moneys necessary to achieve consolidation, including conducting feasibility or planning studies, or addressing outstanding technical or legal issues.~~

~~(e) The state board shall work with the administrator of a designated water system and the communities served by that designated water system to develop, within the shortest practicable time, adequate technical, managerial, and financial capacity to deliver an adequate supply of affordable, safe drinking water so that the services of the administrator are no longer necessary.~~

~~(f) A designated water system shall not be responsible for any costs associated with an administrator that are higher than the costs necessary to maintain the designated water system and provide an adequate supply of affordable, safe drinking water or provision of sewer service.~~

~~(g) Before ordering a designated water system to accept administrative, technical, operational, legal, or managerial services from an administrator pursuant to subdivision (a), the state board shall develop standards, terms, and procedures in a handbook adopted consistent with the process provided for in subdivision (a) of Section 116760.43 for all of the following:~~

~~(1) Ensuring compliance with subdivision (f).~~

~~(2) Providing opportunity for public comment on the selection of an administrator and the services to be provided.~~

~~(3) Providing public access to budgets, ownership and financial information, and other documents and records related to the provision of water service to the designated water system or affected residences and to the management of the designated water system by the administrator.~~

~~(4) Providing regular public meetings, notifications, opportunities for public comment, and other forms of engagement with customers of the designated water system for significant decisions or actions made on behalf of the designated water system, including, but not limited to, establishing operating budgets, altering water rates, adopting system policies, entering into long-term contracts or financing commitments, and developing system projects or plans.~~

~~(5) Formal requests to the state board to reverse or modify a decision of an administrator or to request substitution of an administrator.~~

~~(6) Ensuring an administrator acts in the best interests of the community served.~~

~~(7) Development and approval of a post-administrator drinking water service plan to ensure compliance with subdivision (e). Development of the plan shall include, but is not limited to, an evaluation of long-term public governance or community ownership options.~~

~~(h) An administrator appointed pursuant to this section for a designated water system shall not be liable for claims by past or existing ratepayers, or those who consumed water provided through the designated water system, if good faith, reasonable effort, and ordinary care were used by the administrator to assume possession of, or to operate, the designated water system.~~

~~(i) An administrator appointed pursuant to this section for a designated water system shall not be liable for claims by past or existing ratepayers, or those who consumed water provided through the designated water system, for any injury or damages that occurred before the commencement of the operation period.~~

~~(j) This section does not limit or supersede any other law authorizing claims against the state board or providing a defense to liability, and shall not be construed to create any new or expanded basis for liability.~~

~~(k) Nothing in this section shall be construed to do any of the following:~~

~~(1) Relieve a water district, water wholesaler, or any other entity from complying with any provision of federal or state law, including those pertaining to drinking water quality.~~

~~(2) Impair any cause of action by the Attorney General, a district attorney, a city attorney, or other public prosecutor, or impair any other action or proceeding brought by, or on behalf of, a regulatory agency.~~

~~(3) Impair any claim alleging the taking of property without compensation within the meaning of either the Fifth Amendment to the United States Constitution or Section 19 of Article I of the California Constitution.~~

~~(4) Relieve any person or entity from liability for action or inaction in bad faith, or without reasonable effort or ordinary care.~~

~~(l) Nothing in this section shall absolve, indemnify, or protect a prior operator, designated water system, or individual from liability based on an act or failure to act prior to the operation period.~~

~~(m) Administrative and managerial contracts pursuant to this section shall be exempt from Chapter 2 (commencing with~~

~~Section 10290) of Part 2 of Division 2 of the Public Contract Code and may be awarded on a noncompetitive bid basis as necessary to implement the purposes of this section:~~

~~(n)For purposes of this section, a local government, as defined in Article XIII C of the California Constitution, that sets water rates in accordance with Article XIII D of the California Constitution shall be deemed to be providing affordable water:~~

~~(o)This section does not apply to a charter city, charter county, or charter city and county:~~

~~(p)(1)For purposes of this section, an administrator is authorized to act on behalf of an affected residence to the same extent, and in the same manner, as a designated water system with the consent of the affected residence:~~

~~(2)For purposes of this section, where an administrator is authorized to act on behalf of a designated public water system, it may also act on behalf of a voluntary participant:~~

~~(q)The Legislature finds and declares that the funding provided to a state small water system, affected residence, public water system, voluntary participant, or administrator for purposes of this section serves a public purpose and does not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution:~~

~~(r)For purposes of this section, the following terms have the following meanings:~~

~~(1)"Administrator" means a person whom the state board has determined is competent to perform the administrative, technical, operational, legal, or managerial services required for purposes of this section, pursuant to criteria set forth in the handbook adopted pursuant to subdivision (g). Notwithstanding any other law, a privately owned public utility may serve as an administrator for purposes of this section:~~

~~(2)"Designated water system" means any of the following:~~

~~(A)A public water system or state small water system that has been ordered to consolidate pursuant to Section 116682.~~

~~(B)A public water system or state small water system that serves a disadvantaged community and that the state board finds consistently fails to provide an adequate supply of affordable, safe drinking water.~~

~~(C)An at-risk water system:~~

~~(3)"Voluntary participant" means the owner of a domestic well or state small water system who has agreed to accept financial assistance pursuant to Chapter 4.6 (commencing with Section 116765) for the provision of an adequate and affordable supply of safe drinking water:~~

AMENDED
IN
ASSEMBLY
JANUARY 17, 2024

AMENDED
IN
ASSEMBLY
MARCH 16, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 817

Introduced by Assembly Member Pacheco
(Coauthor: Assembly Member Wilson)

February 13, 2023

An act to add *and repeal* Section 54953.05 ~~to~~ *of* the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 817, as amended, Pacheco. Open meetings: teleconferencing: subsidiary body.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing ~~law, until January 1, 2024,~~ *law* authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency ~~or in other situations related to public health that exempt a legislative body from the general requirements~~ (emergency provisions) ~~and impose and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions).~~ Existing *law imposes* different requirements for notice, agenda, and public participation, as ~~prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to specific means by which the public may remotely hear and visually observe the meeting.~~

~~Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.~~

This ~~bill~~ *bill, until January 1, 2026,* would authorize a subsidiary body, as defined, to use *similar* alternative teleconferencing provisions ~~similar to the emergency provisions indefinitely and without regard to a state of emergency. and would impose requirements for notice, agenda, and public participation, as prescribed.~~ In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54953.05 is added to the Government Code, to read:

54953.05. (a) (1) The definitions in Section 54953, as that section may be amended from time to time, apply for purposes of this section.

(2) For purposes of this section, "subsidiary body" means a legislative body that meets all of the following:

(A) Is described in subdivision (b) of Section 54952.

(B) Serves exclusively in an advisory capacity.

(C) Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements.

(b) A subsidiary body may use teleconferencing without complying with paragraph (3) of subdivision (b) of Section 54953, if the subsidiary body complies with all of the following:

(1) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the subsidiary body.

(2) Each member of the subsidiary body shall participate through both audio and visual technology.

(3) The subsidiary body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the subsidiary body:

(A) A two-way audiovisual platform.

(B) A two-way telephonic service and a live webcasting of the meeting.

(4) The subsidiary body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(5) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the subsidiary body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(6) The agenda shall identify and include an opportunity for all persons to attend and address the subsidiary body directly pursuant to Section 54954.3 via a call-in option or via an internet-based service option.

(7) In the event of a disruption that prevents the subsidiary body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the subsidiary body's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the subsidiary body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the subsidiary body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(8) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the subsidiary body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(9) The subsidiary body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the subsidiary body and offer comment in real time.

(A) A subsidiary body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph (8), to provide public comment until that timed public comment period has elapsed.

(B) A subsidiary body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to paragraph (8), or otherwise be recognized for the purpose of providing public comment.

(C) A subsidiary body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to paragraph (8), until the timed general public comment period has elapsed.

(c) In order to use teleconferencing pursuant to this section, the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action shall make the following findings by majority vote before the subsidiary body uses teleconferencing pursuant to this section for the first time, and every 12 months thereafter:

(1) The legislative body has considered the circumstances of the subsidiary body.

(2) Teleconference meetings of the subsidiary body would enhance public access to meetings of the subsidiary body.

(3) Teleconference meetings of the subsidiary body would promote the attraction, retention, and diversity of subsidiary body members.

(d) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds *and repeals* Section 54953.05 ~~to~~ of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which adds Section 54953.05 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to provide opportunities for public participation in meetings of specified public agencies and to promote the attraction and retention of members of those agencies.

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CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL**NO. 2302**

**Introduced by Assembly Member Addis
(Coauthor: Senator Laird)**

February 12, 2024

An act to amend Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as introduced, Addis. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The bill, for the purpose of counting meetings attended by teleconference, would define a "meeting" as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

SECTION 1. Section 54953 of the Government Code, as amended by Section 1 of Chapter 534 of the Statutes of 2023, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for ~~a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.~~ *more than the following number of meetings, as applicable:*

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54953 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for remote participation by a member of a legislative body in teleconference meetings.

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AMENDED
IN
ASSEMBLY
APRIL 24, 2024

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 2715

Introduced by Assembly Member Boerner

February 14, 2024

An act to amend Section 54957 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2715, as amended, Boerner. Ralph M. Brown Act: closed sessions.

Existing law, the Ralph M. Brown Act, generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Existing law authorizes a legislative body to hold a closed session *with specified individuals* on, among other things, matters posing a threat to the security of essential public services, as specified.

This bill would additionally authorize a *legislative body to hold a* closed session ~~to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session. with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.~~

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54957 of the Government Code is amended to read:

54957. (a) (1) This chapter does not prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, ~~or their respective deputies, or other law enforcement or security personnel,~~ or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, **ATTACHMENT A**

wastewater treatment, natural gas service, and electric service, ~~or~~ a threat to the public's right of access to public services or public ~~facilities~~: *facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.*

(2) For purposes of this subdivision, the following definitions apply:

(A) "Critical infrastructure controls" means networks and systems controlling assets so vital to the local agency that the incapacity or destruction of those networks, systems, or assets would have a debilitating impact on public health, safety, economic security, or any combination thereof.

(B) "Critical infrastructure information" means information not customarily in the public domain pertaining to any of the following:

(i) Actual, potential, or threatened interference with, or an attack on, compromise of, or incapacitation of critical infrastructure controls by either physical or computer-based attack or other similar conduct, including, but not limited to, the misuse of, or unauthorized access to, all types of communications and data transmission systems, that violates federal, state, or local law or harms public health, safety, or economic security, or any combination thereof.

(ii) The ability of critical infrastructure controls to resist any interference, compromise, or incapacitation, including, but not limited to, any planned or past assessment or estimate of the vulnerability of critical infrastructure.

(iii) Any planned or past operational problem or solution regarding critical infrastructure controls, including, but not limited to, repair, recovery, reconstruction, insurance, or continuity, to the extent it is related to interference, compromise, or incapacitation of critical infrastructure controls.

~~(b) This chapter does not prevent the legislative body of a local agency from holding closed sessions to consider or evaluate matters related to cybersecurity, including vulnerabilities of, or potential or ongoing threats to, an agency's cybersecurity provided that any action taken by the legislative body on those matters is done in open session.~~

~~(c)~~

(b) (1) Subject to paragraph (2), this chapter does not prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54957 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By authorizing closed sessions of legislative bodies relating to cybersecurity, this bill allows a legislative body to receive, confidentially discuss, and learn about cybersecurity risks, vulnerabilities, and threats facing the agency, thereby enabling the legislative body to make fully informed cybersecurity-related decisions in open session. The bill protects information and deliberations related to an agency's cybersecurity in order to protect against current or future cybersecurity attacks on the agency that can damage public facilities and services.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which amends Section 54957 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the

writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

By authorizing closed sessions of legislative bodies relating to cybersecurity, this bill allows a legislative body to receive, confidentially discuss, and learn about cybersecurity risks, vulnerabilities, and threats facing the agency, thereby enabling the legislative body to make fully informed cybersecurity-related decisions in open session. The bill protects information and deliberations related to an agency's cybersecurity in order to protect against current or future cybersecurity attacks on the agency that can damage public facilities and services.

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AMENDED
IN
ASSEMBLY
SEPTEMBER 05, 2023

AMENDED
IN
ASSEMBLY
AUGUST 14, 2023

AMENDED
IN
SENATE
APRIL 24, 2023

AMENDED
IN
SENATE
MARCH 22, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

SENATE BILL

NO. 537

Introduced by Senator Becker

February 14, 2023

An act to amend Section 54953 of, and to add and repeal Section 54953.4 of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 537, as amended, Becker. Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance *of the members of the legislative body, the number of community members in attendance in the teleconference meeting*, and the number of public comments on its internet website within ~~7~~ 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require a member who receives compensation for their service, as specified, on the legislative body to participate from a physical location that is open to the public. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from which each member will participate via teleconference. The bill would prohibit a member from participating remotely pursuant to these provisions unless the remote location is the member’s office or another location in a publicly accessible building and is more than 40 miles from the in-person location of the meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2026.

This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 557 to be operative only if this bill and AB 557 are enacted and this bill is enacted last.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would declare that it is to take effect immediately as an urgency statute.

Digest Key

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54953 of the Government Code, as amended by Section 1 of Chapter 285 of the Statutes of 2022, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

- (A) All votes taken during a teleconferenced meeting shall be by rollcall.
- (B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.
- (C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a

disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items

during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 1.5. *Section 54953 of the Government Code, as amended by Section 1 of Chapter 285 of the Statutes of 2022, is amended to read:*

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in ~~any~~ *either* of the following circumstances:

~~(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.~~

~~(B)~~

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

~~(C)~~

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph ~~(B)~~, (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to

the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph ~~(F)~~; (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph ~~(F)~~; (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph ~~(F)~~; (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, ~~or state or local officials have imposed or recommended measures to promote social distancing~~; in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than ~~30~~ 45 days after teleconferencing for the first time pursuant to subparagraph ~~(A)~~; ~~(B)~~; or ~~(C)~~ (A) or (B) of paragraph (1), and every ~~30~~ 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

~~(B) Any of the following circumstances exist:~~

~~(i)~~

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

~~(ii) State or local officials continue to impose or recommend measures to promote social distancing.~~

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's

control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing ~~members of~~ the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, ~~2024~~, 2026, and as of that date is repealed.

SEC. 2. Section 54953 of the Government Code, as amended by Section 2 of Chapter 285 of the Statutes of 2022, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).

(D) Travel while on official business of the legislative body or another state or local agency.

(E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(j) This section shall become operative January 1, 2024, shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2.5. *Section 54953 of the Government Code, as amended by Section 2 of Chapter 285 of the Statutes of 2022, is amended to read:*

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in ~~subdivision (d)~~ *subdivisions (d) and (e)*.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with *the requirements of* paragraph (3) of subdivision (b) ~~if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following: if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:~~

(A) The legislative body ~~shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:~~ *holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.*

~~(i) A two-way audiovisual platform;~~

~~(ii) A two-way telephonic service and a live webcasting of the meeting;~~

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) *A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:*

~~(B)~~

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

~~(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting;~~

~~(D)~~

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

~~(E)~~

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

~~(F)~~

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

~~(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:~~

~~(A) One of the following circumstances applies:~~

~~(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.~~

~~(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 4 (commencing with Section 56) of Part 2.6 of Division 4 of the Civil Code). For the purposes of this clause, the following requirements apply:~~

~~(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.~~

~~(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.~~

~~(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.~~

~~(C) The member shall participate through both audio and visual technology.~~

~~(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.~~

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing ~~members of~~ the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

~~(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.~~

~~(2) "Just cause" means any of the following:~~

~~(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.~~

~~(B) A contagious illness that prevents a member from attending in person.~~

~~(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).~~

~~(D) Travel while on official business of the legislative body or another state or local agency.~~

~~(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.~~

~~(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.~~

(1) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

~~(5)~~

(2) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

~~(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.~~

~~(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.~~

~~(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.~~

(j) This section shall become operative January 1, ~~2024, shall remain in effect only until January 1, 2026, and as of that date is repealed: 2026.~~

SEC. 3. Section 54953.4 is added to the Government Code, to read:

54953.4. (a) For purposes of this section, the following definitions apply:

(1) "Eligible legislative body" means a board, commission, or advisory body of a multijurisdictional, cross-county agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to this chapter.

(2) "Multijurisdictional" means a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1.

(b) An eligible legislative body may use teleconferencing without complying with paragraph (3) of subdivision (b) of Section 54953 if the legislative body complies with this section.

(c) An eligible legislative body shall not use teleconferencing pursuant to this section unless the eligible legislative body has adopted a resolution that authorizes the eligible legislative body to use teleconferencing at a regular meeting in open session.

(d) An eligible legislative body that holds a meeting pursuant to this section shall comply with all of the following:

(1) In each notice and posting of the time or agenda of the teleconferenced meeting, the eligible legislative body shall include the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(2) In the event of a disruption that prevents the eligible legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the eligible legislative body's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the eligible legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the eligible legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(3) The eligible legislative body shall not require public comments to be submitted in advance of the meeting and shall provide an opportunity for the public to address the legislative body and offer comment in real time.

(4) (A) If an eligible legislative body provides a timed public comment period for each agenda item, the eligible legislative body shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subdivision (f), to provide public comment until that timed public comment period has elapsed.

(B) If an eligible legislative body does not provide a timed public comment period, but takes public comment separately on each agenda item, the eligible legislative body shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subdivision (f).

(C) If an eligible legislative body provides a timed general public comment period that does not correspond to a specific agenda item, the eligible legislative body shall not close the public comment period or the opportunity to register, pursuant to subdivision (f), until the timed general public comment period has elapsed.

(5) Except as provided in Section 54953.3, an eligible legislative body, within ~~seven~~ 10 days of holding a teleconference meeting, shall provide ~~both~~ all of the following on its internet website:

(A) A record of attendance of ~~both community members and the~~ members of the eligible legislative body.

(B) (i) The number of community members in attendance in the teleconference meeting.

(ii) The number of community members in attendance at the physical location of the public meeting may be provided in addition to the requirement specified in clause (i).

~~(B)~~

(C) The number of public comments in the meeting.

(6) (A) At least a quorum of the members of the eligible legislative body shall participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

(B) Any member of the eligible legislative body who receives compensation for their service on the eligible legislative body shall participate from a physical location that is open to the public. For purposes of this subparagraph, "compensation" does not include reimbursement for traveling or other actual and necessary expenses incurred in connection with participating in person.

(C) The eligible legislative body shall identify each member of the eligible legislative body who plans to participate remotely in the agenda and shall include the address of the publicly accessible building from where they will participate via teleconference. The specific room or location within the publicly accessible building from which a member participates via teleconference is not required to be publicly accessible.

(7) The eligible legislative body shall provide a physical location from which the public may attend or comment.

(8) The eligible legislative body shall comply with all requirements of Section 54953 except paragraph (3) of subdivision (b) of that section.

(e) A member of the eligible legislative body shall not participate in a meeting remotely pursuant to this section unless they meet both of the following requirements:

(1) The location from which the member participates is more than 40 miles from the in-person location of the meeting.

(2) The member participates from their office or another location in a publicly accessible building.

(f) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of a third-party internet website or other online platform during a meeting held pursuant to this section may be required to register to log in to the teleconference if both of the following conditions are met:

(1) The internet website or online platform requires that registration.

(2) The decision to require registration is not under the control of the legislative body.

(g) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 4. The Legislature finds and declares that Sections 1, 2, and 3 of this act, which amend Section 54953 of, and add Section 54953.4 to, the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

Permitting remote participation for just cause due to a member's immunocompromised family member, as well as extending the operation of teleconferencing for legislative bodies of multijurisdictional, cross-county agencies with appointed membership, will further increase public participation, increase the pool of people who are able to serve on these bodies, including those that would otherwise have to travel long distances to attend meetings in person, and protect the health and safety of the public.

SEC. 5. *Sections 1.5 and 2.5 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 557. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2024, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 557, in which case Section 54953 of the Government Code, as amended by Sections 1 and 2 of this bill, shall remain operative only until the operative date of Assembly Bill 557, at which time Sections 1.5 and 2.5 of this bill shall become operative.*

~~SEC. 5.~~**SEC. 6.** The Legislature finds and declares that Sections 1, 2, and 3 of this act, which amend Section 54953 of, and add Section 54953.4 to, the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3

of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Permitting remote participation for just cause due to a member's immunocompromised family member, as well as extending the operation of teleconferencing for legislative bodies of multijurisdictional, cross-county agencies with appointed membership, will further increase public participation, increase the pool of people who are able to serve on these bodies, including those that would otherwise have to travel long distances to attend meetings in person, and protect the health and safety of the public.

~~SEC. 6.~~ **SEC. 7.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Virtual meetings have allowed much easier access to appointed bodies of local agencies with far more members of the public participating in each meeting. This has created greater equity in the process and fostered the health of our democracy. In-person meetings may jeopardize the health and safety of vulnerable citizens due to ongoing risks of illnesses.

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ATTACHMENT 4.A

Alternate 56133 Legislative proposal

An amendment to add a new section at Government Code Section 56133(f) that reads:

56133(f) - Prior to extending service pursuant to the exemptions in subsection 56133(e), the agency shall notify the executive officer of the local agency formation commission 60 days prior to its intention to extend services under an exemption.

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State of California

GOVERNMENT CODE

Section 56133

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 224.3 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(Amended by Stats. 2022, Ch. 37, Sec. 3. (AB 2957) Effective January 1, 2023.)

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2020 Legislative Year
DRAFT 11- 20 – 2019 (Updated)

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible. PROPOSALS ARE DUE BY 12:00 P.M., MONDAY, NOVEMBER 4, 2019.

REMEMBER THAT PROPOSALS FOR THE OMNIBUS BILL MUST BE NON-CONTROVERSIAL, HAVE NO OPPOSITION AND BE MINOR TECHNICAL CORRECTIONS. WE CANNOT ACCEPT ANYTHING FOR THE OMNIBUS THAT DOES NOT MEET THIS CRITERIA AND PROPOSALS OF THIS NATURE FOR THE OMNIBUS WILL NOT BE FORWARDED TO THE LEGISLATIVE COMMITTEE.

PROPOSAL SUMMARY:

What Code Section (s) and specific language are proposed for change?

Amend C-K-H Government Code Section 56133:

#1

Add clarifying wording that *a commission shall determine when exemptions are applicable* for providing new or extended services under Section 56133 (e).

#2

Add reference to *“functions”* in Section 56133 so that all references to “new or extended services” will read “new or extended services or *functions*”.

Which CALAFCO Board-adopted legislative policy or priority does this proposal address? .

The proposed amendments reflect policies of CALAFCO to address good governance on behalf of applicable local agencies. Specifically:

1.1 Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.

2.1. Support the independence of LAFCo from local agencies.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

Is this an Omnibus suggestion or stand-alone CALAFCO sponsored bill proposal?

_____ Omnibus X Stand-alone CALAFCO sponsored bill

1. **PROBLEM. The problem(s) that the proposal would address are:**

Provide a detailed explanation of the problem(s) identified that would be solved with this proposal.

Clarifying that LAFCos determine applicability of exemptions for extraterritorial service contracts in Section 56133 (e) addresses situations where some cities and districts believe absent specific language that they are not subject to LAFCo approval for outside service agreements. Additionally, Section 56133 currently refers to only "new or extended services". However, "functions" are also subject to 56133 and, thus, should be included in 56133. For instance, the definition of "District" in Section 56063 states that districts are agencies of the state formed for the local performance of "governmental or proprietary *functions* within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133." "Functions" and "Services" are two separate things and defined differently in C-K-H. Function refers to a power, whereas; service refers to a specific activity that is performed. Both are subject to 56133 and both should be included in the section.

As further explanation, C-K-H requires LAFCos to exercise authority over functions, distinct from services, in a number of locations. For instance, when updating or

amending a sphere, “the commission shall establish the nature, location, and extent of any *functions* or classes of services provided by existing districts” (56425(i)). The Commission has authority over the “exercise of new or different *functions* or classes of services...” (56824.10). A “latent service or power” is defined as “those services, facilities, *functions*, or powers...” (Section 56050.5). Clearly, 56133 was intended to and does apply to both functions and services.

2. **SOLUTION. The proposal would address the problem in the following manner:** Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position.

As proposed the clarifying language would eliminate ambiguity and reinforce the legislative intent of the statute for LAFCos to oversee services and functions – including exemption eligibility – the ability of cities and districts in providing extraterritorial services by contract.

3. **ORGANIZATIONAL SUPPORT.**

Besides CALAFCO, which LAFCos support the proposal? What other stakeholders may support the proposal?

Currently San Diego, Orange County, Los Angeles, Riverside, Ventura, El Dorado, Butte and Alameda LAFCos. We believe most other LAFCos will support.

4. **ARGUMENTS IN SUPPORT.**

What are the specific arguments in support of the proposal? Be as specific as possible, including data to support the argument.

Clarification as proposed was included in two earlier proposals initially supported by the CALAFCO Legislative Committee and Board of Directors in 2015. The Board ultimately ceased work on the earlier proposal given the lack of consensus by members on other and more substantive changes involving the expansion of LAFCos authority to approve outside contracts beyond spheres. Proposed for the Omnibus Bill in early 2019, these proposals were objected to by some reviewing groups. This proposal is limited to just the referenced clarifications involving the determination of exemption eligibility and adds clarifying wording regarding functions as used in other sections in CKH. Ventura and San Diego LAFCos have experienced disagreement with districts which believe it is not necessary to seek LAFCo approval for providing services or functions outside its boundaries. It is important that LAFCo have clear legislative authority to take actions or plan for services in the future.

5. ORGANIZATIONAL OPPOSITION.

What organizations, if any (LAFCOs or other stakeholders) have expressed or may express opposition to the proposal?

It may be expected that CSDA and ACWA may have concerns with the proposed clarifying language as they did when previously proposed as an Omnibus Bill item until detail discussions can be held with them. These were submitted as possible Omnibus Bill items in January 2019 but not considered non-controversial or a minor technical correction.

6. ARGUMENTS IN OPPOSITION.

What are the potential specific arguments in opposition of the proposal? Be as specific as possible, including data to support the argument.

As stated above, some agencies hold positions that LAFCo does not have clear authority to oversee some functions or services including contracting outside their territory or SOI. Financial pressures and plans for municipal services to be provided at reduced costs are resulting in more contracting between agencies and outside of urban and suburban areas. These disagreements can expect to continue if clarity in the code is not enacted.

7. CONTACT.

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November 20, 2019
Attachment – Proposed Section 56133

Proposed CKH Legislation Change
GC Section 56133

56133.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following, *as determined by the commission or the executive officer*:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential

structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

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CALAFCO List of Current Bills 5/3/2024

[AB 805](#) (Arambula D) Sewer service: disadvantaged communities.

Current Text: Amended: 1/22/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 1/22/2024

Status: 5/1/2024-Referred to Com. on E.Q.

Location: 5/1/2024-S. E.Q.

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

Summary: Under current law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Current law authorizes a regional board to order the provision of sewer service by a receiving sewer system, as defined, to a disadvantaged community served by an inadequate onsite sewage treatment system, as defined. This bill would authorize the state board to require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the provision of adequate sewer service, as defined. The bill would also authorize the state board to order a designated sewer system to accept those services, including full management and control of all aspects of the designated sewer system, from an administrator. The bill would define "designated sewer system" for these purposes as a sewer system that serves a disadvantaged community and that the state board finds to be either an inadequate sewage treatment system or a sewer system that has demonstrated difficulty in maintaining technical, managerial, and financial capacity to prevent fraud and mismanagement, or a sewer system that voluntarily accepts financial assistance for the provision of adequate sewer service.

Position	Subject
Support if Amended	Disadvantaged Communities, Waste Water

CALAFCO Comments: 5/1/2024: Assigned to Senate Environmental Quality committee. No hearing date yet scheduled.

1/26/2024: Support, if amended, approved. Amendment requested is the inclusion of language requiring the state board to consult with the local LAFCO.

1/22/2024: Gutted and amended. No longer addresses consolidation of waste water systems but, rather, would set up a program in which the state would provide technical, managerial, administrative, and financial assistance, where applicable, to disadvantaged communities. Position changed to support if amended to include a provision requiring the state board to consult with the local LAFCO regarding the system.

As introduced, this bill would have authorized the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities. It failed to meet 2023 deadlines and became a 2 year bill that cannot be acted upon until January, 2024.

[AB 817](#) (Pacheco D) Open meetings: teleconferencing: subsidiary body.

Current Text: Amended: 1/17/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 1/17/2024

Status: 5/1/2024-Referred to Coms. on L. GOV. and JUD.

Location: 5/1/2024-S. L. GOV.

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

Summary: The Ralph M. Brown Act requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. Current law

authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Position

Watch

Subject

Brown Act

CALAFCO Comments: 5/3/2024: Current location is the Senate Local Government Committee, waiting on hearing date.

1/25/2024: Moved out of the Assembly and assigned to Senate Local Government Committee and the Senate Judiciary Committee.

1/17/2024: Amended to add a Sunset date of January 1, 2026.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

AB 828

(Connolly D) Sustainable groundwater management: managed wetlands.

Current Text: Amended: 1/11/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 1/11/2024

Status: 5/1/2024-Referred to Com. on N.R. & W.

Location: 5/1/2024-S. N.R. & W.

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

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms "managed wetland" and "small community water system."

Position

None at this time

Subject

Water

CALAFCO Comments: 5/1/24: Referred to Senate Committee on Natural Resources and Water; waiting on hearing date.

1/29/24: Passed Assembly Floor and moved to Senate to be scheduled for policy hearing.

1/18/24: Passed out of Assembly Appropriations Committee.

1/11/24: Amended to strike provisions regarding small community water systems serving disadvantaged communities and pivots to groundwater sustainability agencies. New provisions were added to the bill that would have the effect of carving out of the existing law, until January 1, 2028, small community water systems serving disadvantaged communities from permitted public water supply wells. After January 1, 2028, that provision sunsets and the law would revert back to its current state without the carve out.

1/9/24: Passed Assembly Water, Parks and Recreation Committee.

4/17/2023: Amended to define agencies and entities required or excluded from existing 10726.4 (a) (4). Amends Water Code section 10730.2 to add language regarding fees, and amends Water Code section 10733 to address groundwater sustainability plans.

Failed to make April policy committee deadline and now cannot be acted upon until January 2024.

As introduced, would add definitions for Managed Wetlands, and Small community water system to Water Code Section 10721.

AB 930

(Friedman D) Local government: Reinvestment in Infrastructure for a Sustainable and Equitable

California (RISE) districts.

Current Text: Amended: 1/22/2024 [html](#) [pdf](#)

Introduced: 2/14/2023

Last Amend: 1/22/2024

Status: 5/1/2024-Referred to Coms. on L. GOV. and HOUSING.

Location: 5/1/2024-S. L. GOV.

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

Summary: Would authorize the legislative bodies of 2 or more cities or counties to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would authorize a special district to join a RISE district, by resolution, as specified. The bill would require the Office of Planning and Research (OPR) to develop guidelines for the formation of RISE districts no later than November 30, 2026. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government.

Position

Neutral

Subject

Special District
Principle Acts

CALAFCO Comments: 5/1/24: Referred to Senate Local Government Committee, and Senate Housing Committee.

1/29/2024: Passed Assembly Floor vote and moved to Senate.

1/22/2024 Amended to remove section of definitions, change the word "standards" to "guidelines", and to strike section 62412 relative to the elements of a RISE development plan to be reviewed. Missed 2023 deadlines and became a 2 year bill.

This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process. As introduced, it focuses on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

AB 1928

(Sanchez R) Worker classification: employees and independent contractors.

Current Text: Amended: 3/4/2024 [html](#) [pdf](#)

Introduced: 1/25/2024

Last Amend: 3/4/2024

Status: 4/25/2024-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. & E. on 2/12/2024)

Location: 4/25/2024-A. DEAD

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

Summary: Current law, as established in the case of Dynamex Operations W. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Current law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for those purposes. Current law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is known as the "ABC" test, as described above. This bill would repeal the above-described provisions that codify the ABC test. The bill would declare that its purpose is to suspend and nullify the California Supreme Court's decision in Dynamex and provide that this decision does not apply for purposes of California law.

Position

Subject

CALAFCO Comments: Of interest to CALAFCO because of its potential effect on operations.

4/26/24 DEAD for failing to meet deadline for policy committees to hear and report to fiscal committees those bills originating in that house which had a fiscal component. (Joint Rule 61(b)(5)).

3/6/2024, Re-referred to Assembly Labor and Employment Committee.

3/4/2024, minor grammatical amendment made.

1/25/2024, bill introduced. AB 1928 would repeal the provisions that were enacted by the passage of AB 5 in 2019. Known as the Gig Worker law, AB 5 reclassified which workers could be considered as contractors. A limited number of professional categories were set aside and excluded from the law. However, those not included in the exclusions were required, under new reclassification requirements,

to be considered as employees regardless of whether they were performing the services in connection to an ongoing business. The shift required CALAFCO to amend its internal practices to re-classify its contractors to employees, resulting in increased costs, as well as extra reporting requirements.

[AB 1987](#) (Bennett D) Local government.

Current Text: Introduced: 1/30/2024 [html](#) [pdf](#)

Introduced: 1/30/2024

Status: 1/31/2024-From printer. May be heard in committee March 1.

Location: 1/30/2024-A. PRINT

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

Summary: Current law sets forth provisions for the formation, duties, and other authorizations, among other things, relating to cities, counties, cities and counties, and other local agencies. This bill would state the intent of the Legislature to enact legislation relating to local government.

Position

None at this time

Subject

CALAFCO Comments: Spot holder bill relative to local government. Monitoring because of its topic.

[AB 2302](#) (Addis D) Open meetings: local agencies: teleconferences.

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 4/15/2024-Read second time. Ordered to third reading.

Location: 4/15/2024-A. THIRD READING

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

Calendar: 5/6/2024 #42 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary: The Ralph M. Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

Position

Watch

Subject

Brown Act

CALAFCO Comments: 5/6/2024: Scheduled for Assembly Third Reading.

4/10/24 passed Assembly Local Government Committee and sent to Assembly Floor. Introduced on 2/12/2024, this bill would enact changes to Brown Act provisions that allow members of legislative bodies to teleconference for meetings. Currently, the law limits teleconferencing to no more than 3 consecutive months, 20% of the regular meetings in a calendar year, or 2 meetings for bodies that meet less than 10 times in a calendar year. This bill redefines those limits as 2 meetings per year for bodies meeting monthly or less; 5 meetings per year for those meeting twice per month; or 7 meetings per year if the body meetings three times or more per month.

[AB 2715](#) (Boerner D) Ralph M. Brown Act: closed sessions.

Current Text: Amended: 4/24/2024 [html](#) [pdf](#)

Introduced: 2/14/2024

Last Amend: 4/24/2024

Status: 5/2/2024-Read second time. Ordered to third reading.

Location: 5/2/2024-A. THIRD READING

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

Calendar: 5/6/2024 #102 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary: The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Current law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

Position

None at this time

Subject

Brown Act

CALAFCO Comments: 5/1/2024: Passed Assembly Local Government Committee; awaiting Assembly Floor date.

4/24/2024: Amended to include cybersecurity threats among the things that can be discussed in closed session. Provides a definition of "critical infrastructure controls" to include I.T. networks.

As introduced on 2/14/2024, would make minor changes in the Brown Act. Monitoring.

AB 2986

(Carrillo, Wendy D) Local Agency Formation Commission for the County of Los Angeles: East Los Angeles Task Force.

Current Text: Amended: 4/29/2024 [html](#) [pdf](#)

Introduced: 2/16/2024

Last Amend: 4/29/2024

Status: 4/30/2024-Re-referred to Com. on APPR.

Location: 4/25/2024-A. APPR.

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 exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. The act continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and that oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, including incorporation of a city or formation of a district, as specified. This bill would require the Local Agency Formation Commission for the County of Los Angeles (LALAFCO) to establish the East Los Angeles Task Force for the purposes of identifying and evaluating the potential impacts of incorporation of, or the establishment of special districts within, East Los Angeles, as defined. The bill would require the task force to be composed of 11 members appointed by LALAFCO in consultation with the County of Los Angeles. The bill would require the task force to meet quarterly, incorporating robust community engagement, to discuss the potential impacts of incorporation or the establishment of special districts in East Los Angeles, as specified. The bill would require the task force to complete and submit a report to the Legislature on the potential impacts of city and special district incorporation in East Los Angeles, including an analysis of advantages, disadvantages, and recommendations for future actions, as specified.

Position

None at this time

Subject

Special District Consolidations

CALAFCO Comments: 4/29/2024, Amended version in print. Makes the bill contingent on appropriation of funds to reimburse LA LAFCO for the costs of the Task Force.

4/24/2024, Passed Assembly Local Government Committee hearing with amendments and re-referred to Appropriations.

3/21/2024, the bill was gutted and amended and now requires the LA LAFCO to develop an East Los Angeles Formation Task Force. Not a statewide issue.

AB 3277

(Committee on Local Government) Local agency formation commission: districts: property tax.

Current Text: Introduced: 2/27/2024 [html](#) [pdf](#)

Introduced: 2/27/2024

Status: 4/29/2024-Read third time. Passed. Ordered to the Senate. (Ayes 71. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: 4/29/2024-S. RLS.

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 establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of

organization and reorganization for cities and districts. Current law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Current law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined. This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes.

Position
Sponsor

Subject
Incorporation
Proceedings

CALAFCO Comments: CALAFCO's 2024 Omnibus bill.

4/29/2024, Removed from Appropriations and sent to Assembly floor where it passed. Now sits in Senate Rules waiting for committee assignment.

4/10/2024, Passed Assembly Local Government Committee and was referred to Appropriations.

SB 537

(Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Current Text: Amended: 9/5/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Last Amend: 9/5/2023

Status: 9/14/2023-Ordered to inactive file on request of Assembly Member Bryan.

Location: 9/14/2023-A. INACTIVE FILE

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

Summary: Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

Position
Watch

Subject
Brown Act

CALAFCO Comments: This is a spotholder bill that states an intent to expand local government's access to hold public meetings through teleconferencing and remote access.

3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.

The bill is sponsored by Peninsula Clean Energy, a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

4/24/2023: The bill was amended to further clarify definitions and the requirements needed for members of an eligible legislative body to meet remotely.

The bill passed Senate Judiciary on 5/2/23, and had its third reading in the Senate on 5/30/2023. 7/12/23: The bill passed the Assembly Local Government Committee.

Amended on August 14, 2023, to require eligible legislative bodies that receive compensation to

participate from a physical location that is open to the public.

9/14/2023, the bill was moved into the inactive file.

SB 768

(Caballero D) California Environmental Quality Act: State Air Resources Board: vehicle miles traveled: study.

Current Text: Amended: 1/11/2024 [html](#) [pdf](#)

Introduced: 2/17/2023

Last Amend: 1/11/2024

Status: 4/29/2024-Referred to Com. on NAT. RES.

Location: 4/29/2024-A. NAT. RES.

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

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. Current law requires the Office of Planning and Research to prepare, develop, and transmit to the Secretary of the Natural Resources Agency for certification and adoption proposed revisions to guidelines establishing criteria for determining the significance of transportation impacts of projects within transit priority areas to promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses. Current law creates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles, which is the major source of air pollution in many areas of the state. Existing law authorizes the state board to do those acts as may be necessary for the proper execution of the powers and duties granted to, and imposed upon, the state board. This bill would require the state board, by January 1, 2026, to conduct and submit to the Legislature a study on how vehicle miles traveled is used as a metric for measuring transportation impacts pursuant to CEQA, as specified.

Position

Subject

CEQA

CALAFCO Comments: 4/29/2024: Referred to Assembly Committee on Natural Resources where it awaits a hearing date.

1/29/2024: Passed Senate.

1/16/2024: Passed Senate Appropriations Committee.

1/11/2024: Gutted and Amended. Topic now specific to a study by the state regarding vehicle miles traveled in CEQA studies. Continuing to monitor for any detrimental changes to CEQA but, at this time, bill is not a concern to CALAFCO.

1/10/2024: Passed Senate Environmental Quality Committee.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

3/22/2023: The bill was amended and would add language into the Public Resource Code to provide that a public agency, in approving or carrying out certain types of projects, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

-Introduced as a spotholder bill that noted an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of the California Environmental Quality Act.

SB 1209

(Cortese D) Local agency formation commission: indemnification.

Current Text: Introduced: 2/15/2024 [html](#) [pdf](#)

Introduced: 2/15/2024

Status: 3/21/2024-Read second time. Ordered to third reading.

Location: 2/29/2024-S. THIRD READING

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

Calendar: 5/6/2024 #13 SENATE SENATE BILLS -THIRD READING FILE

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified. This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action,

or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

Position
Sponsor

Subject
LAFCo
Administration

CALAFCO Comments: 03/20/2024, Passed Senate Local Government Committee hearing. Now proceeds to Senate floor vote, then will move to Assembly.

CALAFCO sponsored bill in response to a 2022 appellate decision out of San Luis Obispo that held that LAFCOs could not use indemnification provisions in applications because indemnifications are a form of agreement that LAFCOs are currently not authorized to enter into. As introduced, the bill would allow LAFCOs to use provisions similar to counties and cities.

Total Measures: 13

Total Tracking Forms: 13



SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

CALAFCO Legislative Committee **MEETING AGENDA**

Friday, June 14, 2024 ♦ 9:00 am – 11:00 am

Virtual via Zoom

<https://us02web.zoom.us/j/85737427717>

Meeting ID: 857 3742 7717

Phone: 669-900-6833

1. **9:00 A.M. Convene and Roll Call** *R. LaRoche*

2. **Approve Minutes of the May 10, 2024 meeting** *R. LaRoche* 3

3. **Consider an Oppose Position on Initiative 1935, the Taxpayer Protection and Government Accountability Act** *R. LaRoche* 5

4. **Legislation Affecting LAFCOs** *R. LaRoche* 27
 - Priority One Bills:**
 - CALAFCO Sponsored Bills:
 - a. AB 3277 (ALGC) Omnibus Bill – Ad Valorem Tax Calculation 33
 - b. SB 1209 (Cortese) - Indemnification Bill 35

 - Priority Two Bills:** NONE

 - Priority Three Bills:**
 - c. AB 2661 (Soria D) Electricity: Westlands Water District 37
Position: Support, If Amended
 - d. AB 805 (Arambula) Sewer service: disadvantaged communities 43
Position: Support, If Amended

 - Brown Act (Watching):**
 - e. AB 817 (Pacheco) Open meetings: teleconferencing: subsidiary body 49
 - f. AB 2302 (Addis) Open meetings: local agencies: teleconferences 53
 - g. AB 2715 (Boerner) Ralph M. Brown Act: closed sessions 57
 - h. SB 537 (Becker) Open meetings: local agencies: teleconferences (inactive) 59

5. **Tabled Discussion Regarding 56133 Proposal** *R. LaRoche* 73

6. **Receive the List of Tracked Bills** 133

7. **CALAFCO Items for next meeting**

8. **Good of the Order**

9. **Adjournment to July 12, 2024 at 9:00 a.m. – to be held virtually**

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CALAFCO Legislative Committee
DRAFT ACTION MEETING MINUTES

Date:	May 10, 2024	
Location:	Held virtually	
Present:		
BOARD MEMBERS:		
<input checked="" type="checkbox"/> CONNELLY, Bill (N)	<input checked="" type="checkbox"/> MCGILL, Michael (Co)	<input checked="" type="checkbox"/> PAQUE, Anita (Ce)
<input checked="" type="checkbox"/> GUTIERREZ, Yxstian (S)	<input type="checkbox"/> MCGREGOR, Derek (S, Alt)	<input checked="" type="checkbox"/> ROOT ASKEW, Wendy (Co, Alt)
<input checked="" type="checkbox"/> JONES, Gay (Ce, Alt)	<input checked="" type="checkbox"/> MOHLER, Margie (A/L, Alt)	<input checked="" type="checkbox"/> SUSMAN, Josh (N, Alt)
		<input type="checkbox"/> WALLACE, Tamara (A/L, Alt)
STAFF APPOINTMENTS:		
<input checked="" type="checkbox"/> ALSOP, Clark	<input checked="" type="checkbox"/> LUCAS, Steve (No, Butte)	<input checked="" type="checkbox"/> ROMO, Adriana (So, L.A.)
<input type="checkbox"/> BELL, Gary	<input checked="" type="checkbox"/> LaROCHE, René	<input type="checkbox"/> SANTSCHE, Colette (No, Humboldt)
<input checked="" type="checkbox"/> BRAMFITT, Mark (Co, Sonoma)	<input type="checkbox"/> LUOMA, Kai (Co, Ventura)	<input type="checkbox"/> SERRANO, Joe (Co Alt, Santa Cruz)
<input checked="" type="checkbox"/> BROWNE, Scott	<input checked="" type="checkbox"/> LYTLE-PINHEY, Sara (Ce, Stan.)	<input checked="" type="checkbox"/> SPAUNHURST, Brian (Ce Alt, Fresno)
<input checked="" type="checkbox"/> de SOUSA, Paula	<input type="checkbox"/> McINTYRE, Michelle (Ce, Placer)	<input checked="" type="checkbox"/> STEPHENSON, Jennifer (No, Plumas)
<input checked="" type="checkbox"/> GRAF, Paula (So, Imperial)	<input checked="" type="checkbox"/> MUMPOWER, Priscilla (So, Alt, S.D.)	
ADVISORY COMMITTEE:		
<input checked="" type="checkbox"/> CRAIG, Crystal	<input type="checkbox"/> HIGHTOWER, J.D.	<input type="checkbox"/> BRAVO, Tara
<input type="checkbox"/> CRAWFORD, Christine	<input checked="" type="checkbox"/> SANCHEZ, Erica	<input checked="" type="checkbox"/> FENDER, Brandon
<input checked="" type="checkbox"/> FITZROY, Rob	<input checked="" type="checkbox"/> TAPIA, Luis	<input type="checkbox"/> SIMON, Jim
GUESTS:	Jonathan Brinkmann (Monterey), Carolanne Ieromnimon (RSG), Dawn Mittleman (Napa), Mike Prater (Santa Barbara)	
RECORDER:	René LaRoche	

1. Welcome, Roll Call

9:03 AM: The meeting was called to order by René LaRoche after the quorum was established.

2. Approval of the Minutes of the March 22, 2024 meeting

The minutes were unanimously approved as presented upon motion of Mike McGill, with a second by Margie Mohler, and with Bill Connelly abstaining.

3. Receive an Update Regarding CALAFCO Legislative Proposals

LaRoche gave the staff reports.

3. Tabled Discussion Regarding 56133 Proposal

LaRoche provided a brief review of past events and reminded that the committee had requested the return of some alternative notification language. Steve Lucas, Butte LAFCO, gave the report regarding the draft notification language. Discussion ensued regarding the merits of a notification provision and whether proceeding strictly via local policy would be the better solution. The committee requested that copies of local policies be collected and interest in determining what LAFCOs think about 56133. The Chair noted that the previous survey should contain the requested information.

4. Receive the List of Tracked Bills

LaRoche gave the report.

5. Items for next meeting

No new items were offered.

6. Good of the Order

LaRoche advised that the Call for 2025 Legislative Proposals was currently being prepared and would be going out soon.

7. Adjournment to June 14, 2024, meeting at 9:00 a.m. – to be held virtually

10:00 AM: Chair LaRoche adjourned the meeting.

DRAFT

LEGISLATIVE COMMITTEE MEETING STAFF REPORT

Agenda Item No. 3

Initiative 1935, aka the “Taxpayer Protection and Government Accountability Act”

Meeting Date: June 14, 2024

Prepared By: René LaRoche, Chair

RECOMMENDATIONS

Consider an Oppose Position on Initiative 1935, the Taxpayer Protection and Government Accountability Act.

BACKGROUND

On February 1, 2023, the California Secretary of State announced that Initiative 1935, also known as the Taxpayer Protection and Government Accountability Act (Attachment 3.A), became eligible for the November, 2024 ballot. Sponsored primarily by the California Business Roundtable, the initiative is an anti-tax measure which would make substantial changes to the way local governments set or increase assessments, taxes, charges, and fees. Additionally, the initiative would be retroactive to January 1, 2022, which would invalidate subject actions and citizen-led ballot measures approved since then, and require them all to be repeated using the new election process and super-majority rubrics.

In response, Governor Newsom and the California State Legislature mounted a Supreme Court challenge, which was joined by a coalition of entities from around the state. Oral arguments were conducted before the California Supreme Court on May 8, 2024, and the court took the case under submission. Both parties requested a decision before June 27, 2024, which is the deadline for the Secretary of State to certify California’s general election ballot.

While the court case may be complete except for the decision, a growing coalition of opponents are readying a public campaign to oppose the measure should the initiative be allowed on the ballot. To strengthen that effort, they have requested that CALAFCO approve a formal oppose position for use in advertising and other efforts. While nothing further will be required from CALAFCO by the coalition, the hope is that local LAFCOs will follow suit by adopting resolutions in opposition, as well; which is an effort that CALAFCO will need to coordinate.

RECOMMENDATION

Given that passage of the initiative will severely impact, alter, and prevent the ability of LAFCOs to fulfill their mission and various of their mandated functions, staff is recommending that the committee recommend an Oppose position to the CALAFCO Board of Directors.

ATTACHMENTS

- 3. A. Initiative 1935, the Taxpayer Protection and Government Accountability Act
- 3. B. CalCities Press Release, dated March 13, 2024
- 3. C. CSAC Memo
- 3. D. Fact Sheet

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21-0042 Amdt. # 1

January 4, 2022

RECEIVED

JAN 04 2022

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Initiative 21-0042 - Amendment Number One

Dear Initiative Coordinator:

Pursuant to subdivision (b) of Section 9002 of the Elections Code, enclosed please find Amendment #1 to Initiative No. 21-0042 "The Taxpayer Protection and Government Accountability Act." The amendments are reasonably germane to the theme, purpose or subject of the initiative measure as originally proposed.

I am the proponent of the measure and request that the Attorney General prepare a circulating title and summary of the measure as provided by law, using the amended language.

Thank you for your time and attention processing my request.

Sincerely,



Thomas W. Hiltachk

The Taxpayer Protection and Government Accountability Act

[Deleted codified text is denoted in ~~strikeout~~. Added codified text is denoted by *italics and underline*.]

Section 1. Title

This Act shall be known, and may be cited as, the Taxpayer Protection and Government Accountability Act.

Section 2. Findings and Declarations

(a) Californians are overtaxed. We pay the nation's highest state income tax, sales tax, and gasoline tax. According to the U.S. Census Bureau, California's combined state and local tax burden is the highest in the nation. Despite this, and despite two consecutive years of obscene revenue surpluses, state politicians in 2021 alone introduced legislation to raise more than \$234 billion in new and higher taxes and fees.

(b) Taxes are only part of the reason for California's rising cost-of-living crisis. Californians pay billions more in hidden "fees" passed through to consumers in the price they pay for products, services, food, fuel, utilities and housing. Since 2010, government revenue from state and local "fees" has more than doubled.

(c) California's high cost of living not only contributes to the state's skyrocketing rates of poverty and homelessness, they are the pushing working families and job-providing businesses out of the state. The most recent Census showed that California's population dropped for the first time in history, costing us a seat in Congress. In the past four years, nearly 300 major corporations relocated to other states, not counting thousands more small businesses that were forced to move, sell or close.

(d) California voters have tried repeatedly, at great expense, to assert control over whether and how taxes and fees are raised. We have enacted a series of measures to make taxes more predictable, to limit what passes as a "fee," to require voter approval, and to guarantee transparency and accountability. These measures include Proposition 13 (1978), Proposition 62 (1986), Proposition 218 (1996), and Proposition 26 (2010).

(e) Contrary to the voters' intent, these measures that were designed to control taxes, spending and accountability, have been weakened and hamstrung by the Legislature, government lawyers, and the courts, making it necessary to pass yet another initiative to close loopholes and reverse hostile court decisions.

Section 3. Statement of Purpose

(a) In enacting this measure, the voters reassert their right to a voice and a vote on new and higher taxes by requiring any new or higher tax to be put before voters for approval. Voters also intend that all fees and other charges are passed or rejected by the voters themselves or a governing body elected by voters and not unelected and unaccountable bureaucrats.

(b) Furthermore, the purpose and intent of the voters in enacting this measure is to increase transparency and accountability over higher taxes and charges by requiring any tax measure placed on the ballot—

either at the state or local level—to clearly state the type and rate of any tax, how long it will be in effect, and the use of the revenue generated by the tax.

(c) Furthermore, the purpose and intent of the voters in enacting this measure is to clarify that any new or increased form of state government revenue, by any name or manner of extraction paid directly or indirectly by Californians, shall be authorized only by a vote of the Legislature and signature of the Governor to ensure that the purposes for such charges are broadly supported and transparently debated.

(d) Furthermore, the purpose and intent of the voters in enacting this measure is also to ensure that taxpayers have the right and ability to effectively balance new or increased taxes and other charges with the rapidly increasing costs Californians are already paying for housing, food, childcare, gasoline, energy, healthcare, education, and other basic costs of living, and to further protect the existing constitutional limit on property taxes and ensure that the revenue from such taxes remains local, without changing or superseding existing constitutional provisions contained in Section 1(c) of Article XIII A.

(e) In enacting this measure, the voters also additionally intend to reverse loopholes in the legislative two-thirds vote and voter approval requirements for government revenue increases created by the courts including, but not limited to, *Cannabis Coalition v. City of Upland*, *Chamber of Commerce v. Air Resources Board*, *Schmeer v. Los Angeles County*, *Johnson v. County of Mendocino*, *Citizens Assn. of Sunset Beach v. Orange County Local Agency Formation Commission*, and *Wilde v. City of Dunsmuir*.

Section 4. Section 3 of Article XIII A of the California Constitution is amended to read:

Sec. 3(a) Every levy, charge, or exaction of any kind imposed by state law is either a tax or an exempt charge.

(b)(1) (a) Any change in state statute law which results in any taxpayer paying a new or higher tax must be imposed by an act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, and submitted to the electorate and approved by a majority vote, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property, may be imposed. Each Act shall include:

(A) A specific duration of time that the tax will be imposed and an estimate of the annual amount expected to be derived from the tax.

(B) A specific and legally binding and enforceable limitation on how the revenue from the tax can be spent. If the revenue from the tax can be spent for unrestricted general revenue purposes, then a statement that the tax revenue can be spent for "unrestricted general revenue purposes" shall be included in a separate, stand-alone section. Any proposed change to the use of the revenue from the tax shall be adopted by a separate act that is passed by not less than two-thirds of all members elected to each of the two houses of the Legislature and submitted to the electorate and approved by a majority vote.

(2) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, including a measure proposed by an elector pursuant to Article II, include:

(A) The type and amount or rate of the tax;

(B) The duration of the tax; and

(C) The use of the revenue derived from the tax.

(c) Any change in state law which results in any taxpayer paying a new or higher exempt charge must be imposed by an act passed by each of the two houses of the Legislature. Each act shall specify the type of exempt charge as provided in subdivision (e), and the amount or rate of the exempt charge to be imposed.

(d) ~~(b)~~ As used in this section and in Section 9 of Article II, "tax" means every ~~any~~ levy, charge, or exaction of any kind imposed by the State state law that is not an exempt charge, except the following:

(e) As used in this section, "exempt charge" means only the following:

~~(1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor.~~

~~(1) (2) A reasonable charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the State of providing the service or product to the payor.~~

~~(2) (3) A charge imposed for the reasonable regulatory costs to the State incident to issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.~~

(3) A levy, charge, or exaction collected from local units of government, health care providers or health care service plans that is primarily used by the State of California for the purposes of increasing reimbursement rates or payments under the Medi-Cal program, and the revenues of which are primarily used to finance the non-federal portion of Medi-Cal medical assistance expenditures.

~~(4) A reasonable charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by Section 15 of Article XI.~~

~~(5) A fine, or penalty, or other monetary charge including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or the State, as a result of a state administrative enforcement agency pursuant to adjudicatory due process, to punish a violation of law.~~

(6) A levy, charge, assessment, or exaction collected for the promotion of California tourism pursuant to Chapter 1 (commencing with Section 13995) of Part 4.7 of Division 3 of Title 2 of the Government Code.

~~(f) (e) Any tax or exempt charge adopted after January 1, 2022 2010, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted by the Legislature and signed into law by the Governor in compliance with the requirements of this section.~~

~~(g) (1) (d) The State bears the burden of proving by a preponderance of the clear and convincing evidence that a levy, charge, or other exaction is an exempt charge and not a tax. The State bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor, that the amount is no more than necessary to cover the reasonable costs of the governmental activity and~~

that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by state law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind as being voluntary, or paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be a factor in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(h) As used in this section:

(1) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(2) "Extend" includes, but is not limited to, doing any of the following with respect to a tax or exempt charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.

(3) "Impose" means adopt, enact, reenact, create, establish, collect, increase or extend.

(4) "State law" includes, but is not limited to, any state statute, state regulation, state executive order, state resolution, state ruling, state opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by the legislative or executive branches of state government. "State law" does not include actions taken by the Regents of the University of California, Trustees of the California State University, or the Board of Governors of the California Community Colleges.

Section 5. Section 1 of Article XIII C of the California Constitution is amended, to read:

Sec. 1. Definitions. As used in this article:

(a) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(b) "Extend" includes, but is not limited to, doing any of the following with respect to a tax, exempt charge, or Article XIII D assessment, fee, or charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.

~~(c) (a)~~ "General tax" means any tax imposed for general governmental purposes.

~~(d)~~ "Impose" means adopt, enact, reenact, create, establish, collect, increase, or extend.

~~(e) (b)~~ "Local government" means any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity, or an elector pursuant to Article II or the initiative power provided by a charter or statute.

~~(f)~~ "Local law" includes, but is not limited to, any ordinance, resolution, regulation, ruling, opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by a local government.

~~(g) (c)~~ "Special district" means an agency of the State, formed pursuant to general law or a special act, for the local performance of governmental or proprietary functions with limited geographic boundaries including, but not limited to, school districts and redevelopment agencies.

~~(h) (d)~~ "Special tax" means any tax imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund.

~~(i) (e)~~ As used in this article, and in Section 9 of Article II, "tax" means every ~~any~~ levy, charge, or exaction of any kind, imposed by a local government law that is not an exempt charge., ~~except the following:~~

~~(i)~~ As used in this section, "exempt charge" means only the following:

~~(1)~~ A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

~~(1) (2)~~ A reasonable charge imposed for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the local government of providing the service or product.

~~(2) (3)~~ A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

~~(3) (4)~~ A reasonable charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

~~(4) (5)~~ A fine, or penalty, or other monetary charge including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or a local government administrative enforcement agency pursuant to adjudicatory due process, as a result of to punish a violation of law.

~~(5) (6)~~ A charge imposed as a condition of property development. No levy, charge, or exaction regulating or related to vehicle miles traveled may be imposed as a condition of property development or occupancy.

~~(6) (7)~~ An Assessments and property related fees assessment, fee, or charge imposed in accordance with the provisions of subject to Article XIII D, or an assessment imposed upon a business in a tourism marketing district, a parking and business improvement area, or a property and business improvement district.

(7) A charge imposed for a specific health care service provided directly to the payor and that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the health care service. As used in this paragraph, a "health care service" means a service licensed or exempt from licensure by the state pursuant to Chapters 1, 1.3, or 2 of Division 2 of the Health and Safety Code.

The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Section 6. Section 2 of Article XIII C of the California Constitution is amended to read:

Sec. 2. Local Government Tax Limitation. Notwithstanding any other provision of this Constitution:

(a) Every levy, charge, or exaction of any kind imposed by local law is either a tax or an exempt charge. All taxes imposed by any local government shall be deemed to be either general taxes or special taxes. Special purpose districts or agencies, including school districts, shall have no power to levy general taxes.

(b) No local ~~law government, whether proposed by the governing body or by an elector,~~ may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.

(c) ~~Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, shall continue to be imposed only if approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held within two years of the effective date of this article and in compliance with subdivision (b).~~ (d) No local ~~law government, whether proposed by the governing body or by an elector,~~ may impose, ~~extend, or increase~~ any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.

(d) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, include:

(1) The type and amount or rate of the tax;

(2) the duration of the tax; and

(3) The use of the revenue derived from the tax. If the proposed tax is a general tax, the phrase "for general government use" shall be required, and no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could, or should be used for a specific purpose.

(e) Only the governing body of a local government, other than an elector pursuant to Article II or the initiative power provided by a charter or statute, shall have the authority to impose any exempt charge. The governing body shall impose an exempt charge by an ordinance specifying the type of exempt charge

as provided in Section 1(j) and the amount or rate of the exempt charge to be imposed, and passed by the governing body. This subdivision shall not apply to charges specified in paragraph (7) of subdivision (i) of Section 1.

(f) No amendment to a Charter which provides for the imposition, extension, or increase of a tax or exempt charge shall be submitted to or approved by the electors, nor shall any such amendment to a Charter hereafter submitted to or approved by the electors become effective for any purpose.

(g) Any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted in compliance with the requirements of this section.

(h)(1) The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax. The local government bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by a local law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind imposed by a local law as being paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be factors in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

Section 7. Section 3 of Article XIII D of the California Constitution is amended, to read:

Sec. 3. Property Taxes, Assessments, Fees and Charges Limited

(a) No tax, assessment, fee, ~~or~~ charge, or surcharge, including a surcharge based on the value of property, shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax imposed pursuant to described in Section 1(a) of Article XIII and Section 1(a) of Article XIII A, and described and enacted pursuant to the voter approval requirement in Section 1(b) of Article XIII A.

(2) Any special non-ad valorem tax receiving a two-thirds vote of qualified electors pursuant to Section 4 of Article XIII A, or after receiving a two-thirds vote of those authorized to vote in a community facilities district by the Legislature pursuant to statute as it existed on December 31, 2021.

(3) Assessments as provided by this article.

(4) Fees or charges for property related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.

Section 8. Sections 1 and 14 of Article XIII are amended to read:

Sec. 1 Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value.

(c) All proceeds from the taxation of property shall be apportioned according to law to the districts within the counties.

Sec. 14. All property taxed by state or local government shall be assessed in the county, city, and district in which it is situated. Notwithstanding any other provision of law, such state or local property taxes shall be apportioned according to law to the districts within the counties.

Section 9. General Provisions

A. This Act shall be liberally construed in order to effectuate its purposes.

B. (1) In the event that this initiative measure and another initiative measure or measures relating to state or local requirements for the imposition, adoption, creation, or establishment of taxes, charges, and other revenue measures shall appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(2) In furtherance of this provision, the voters hereby declare that this measure conflicts with the provisions of the "Housing Affordability and Tax Cut Act of 2022" and "The Tax Cut and Housing Affordability Act," both of which would impose a new state property tax (called a "surcharge") on certain real property, and where the revenue derived from the tax is provided to the State, rather than retained in the county in which the property is situated and for the use of the county and cities and districts within the county, in direct violation of the provisions of this initiative.

(3) If this initiative measure is approved by the voters, but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting initiative is later held invalid, this measure shall be self-executing and given full force and effect.

C. The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not

declared invalid or unconstitutional without regard to whether any portion of this Act or application thereof would be subsequently declared invalid.

D. If this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of state or federal law, and both the Governor and Attorney General refuse to defend this Act, then the following actions shall be taken:

(1) Notwithstanding anything to the contrary contained in Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(2) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act. The written affirmation shall be made publicly available upon request.

(3) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(4) Nothing in this section shall prohibit the proponents of this Act, or a bona fide taxpayers association, from intervening to defend this Act.



Broad coalition representing millions of Californians sounds the alarm on dangerous taxpayer deception act

Mar 13, 2024

Measure limits voter rights, puts schools, emergency & disaster response, homelessness services at risk

Reposted from the Alliance for a Better California

FOR IMMEDIATE RELEASE

March 13, 2024

Contact: Mike Roth, mike@paschalroth.com (<mailto:mike@paschalroth.com>)

Sacramento, CA – Counties, cities, special districts, labor groups and community organizations representing millions of Californians across the state are calling out the California Business Roundtable’s deceptively titled “Taxpayer Protection and Government Accountability Act,” slated for the November 2024 ballot.

Under the guise of reform, the measure – more accurately described as the Taxpayer Deception Act – limits the ability for voters and state and local governments to fund services by making it harder to raise revenue and pass future ballot measures. It is also retroactive to January 1, 2022, invalidating more than 100 voter-approved ballot measures and new laws.

“California’s counties are strongly opposed to this dangerous initiative, which will jeopardize the core services our communities rely upon,” said **Graham Knaus, Chief Executive Officer, California State Association of Counties**. “Funded by a handful of corporate special interests, the measure would undermine voter rights by invalidating measures passed by local voters, imperil core government services for decades, and lead to endless lawsuits that will cost taxpayers.”

“The Taxpayer Deception Act would be a devastating blow to California workers,” **Executive Officer, Jay Bradshaw of the Nor Cal Carpenters Union**. “Not only would it crater local and state budgets for the upkeep and construction of our roads, freeways and bridges – it would rob hundreds of thousands of workers of the good-paying jobs that keep a roof over their head and keep our economy strong. It will also put-up roadblocks to delivering the housing that all of our communities desperately need. Voters should not be fooled by this deceptive measure, and we urge Californians to vote NO in November.”

“Working Californians are already struggling to make ends meet when paying their rent, at the gas pumps, or buying groceries. The disturbing truth about the reckless Taxpayer Deception Act is that it leaves these struggling Californians without access to critical safety net services including paid family leave, and access to housing that is affordable,” said **Sabrina Smith, CEO, California Calls**. “By retroactively nullifying more than 130 voter-approved laws, this measure unwinds decades of progress California has made towards equity, opportunity and prosperity for all – which is why each of our 31 grassroots, community based organizations across the state stand together in proud opposition.”

“This dangerous initiative funded by wealthy corporations essentially means 'lights out at city hall' for our cities,” said **League of California Cities Executive Director and CEO Carolyn Coleman**. “Preventing and reducing homelessness, planning for more housing, picking up the trash, paving streets and roads, and guaranteeing that someone will be there when you dial 911 — this is what’s at stake for residents if this measure passes.”

"Initiative 1935, the 'Taxpayer Deception Act,' is irresponsible and unconstitutional," said **Neil McCormick, Chief Executive Officer, California Special Districts Association**. "It retroactively invalidates decisions our communities have already approved, stops critical infrastructure projects in their tracks, and threatens the health, safety, and well-being of hardworking families. Local leaders representing communities of all sizes throughout the state stand united against this corporate attack on voters, and its threat to the water, fire protection, healthcare, sanitation, parks and other fundamental local services people need."

The Taxpayer Deception Act was placed on the ballot by the California Business Roundtable and California Business Properties Association and is primarily funded by multi-billion-dollar real estate interests and landlords who want to overturn the will of the voters to avoid paying their fair share.

THE TAXPAYER DECEPTION ACT THREATENS VITAL PUBLIC SERVICES, UNDERMINES THE DEMOCRATIC PROCESS & CREATES CHAOS BY:

- Cutting billions from state and local governments and forcing cuts to safety net services.
- Overturning funding for paid family leave, disability insurance, gun violence prevention, and climate programs.
- Threatening the safety of roads, freeways, and bridges by permanently eliminating billions in road repair and infrastructure funding.
- Allowing just 1/3 of voters to make local funding decisions and block ballot measures over the will of the majority.
- Exacerbating deficits and worsening unbalanced budgets.

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**Memo: Ballot Initiative #1935, “Taxpayer Protection and Government Accountability Act,”
(TPA Initiative)**

County Educational Toolkit

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Background

The “Taxpayer Protection and Government Accountability Act,” referred to as “Initiative #1935,” or the “TPA,” would revise the California Constitution to restrict the ability of the state, counties, other local agencies, and the electorate to approve or collect taxes, fees, and other revenues. Collectively, the impacts of the measure would impair essential government functions.

The measure would require voter approval of all state taxes, redefining many existing administrative fees as taxes that require voter approval and requiring voters to approve any changes to state taxes imposed by the California Legislature. It would further restrict local fee authority by limiting fee amounts to the “minimum amount necessary” to provide government services, and would require voter approval for local measures such as franchise fees. Its provisions would make it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency’s characterization of a measure from being considered in court.

The measure would prohibit county charter amendments that provide for any revenue from being submitted to the electorate. It would also disallow local agencies from placing advisory measures on the same ballot as any general revenue measure and would raise the threshold for voter approval of local revenue measures proposed by initiative to two-thirds.

The proposed constitutional initiative is sponsored by the California Business Roundtable, an association composed of executives for the largest corporations in California. However, the measure has been funded primarily by a small few of those member corporations and, in February 2024, several of the association’s members placed an advertisement requesting the sponsors to remove the measure from the ballot.

The California Attorney General has titled the measure: “LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT.”

The official summary is as follows:

“For new or increased state taxes currently enacted by two-thirds vote of Legislature, also requires statewide election and majority voter approval. Limits voters’ ability to

pass voter-proposed local special taxes by raising vote requirement to two-thirds. Eliminates voters' ability to advise how to spend revenues from proposed general tax on the same ballot as the proposed tax. Expands definition of "taxes" to include certain regulatory fees, broadening application of tax approval requirements. Requires Legislature or local governing body set certain other fees. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts."**

The measure would apply retroactively to any local measure or state law passed since January 1, 2022, allowing only a twelve-month period for the state or local governments to re-ratify the measures.

CSAC Efforts Related to the Measure

The CSAC Board of Directors voted to oppose the measure in March 2022.

In September 2023, Governor Gavin Newsom petitioned the California Supreme Court to review the measure, asserting that it would be a revision of the California Constitution, rather than an amendment, and therefore would require a constitutional convention to make the changes sought by the measure's sponsors. The Governor also asserted the measure would impair essential government functions.

In January 2024, CSAC, as part of a coalition of local government entities and associations, filed an amicus brief in support of the Governor and Legislature in their petition to the California Supreme Court to deem the California Business Roundtable's ballot measure as a constitutional revision that would impair essential government functions, and therefore ineligible for the November 2024 ballot.

Analysis

Under current law, local revenue authority is limited by both statute and several voter-approved constitutional provisions, including those added by Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010). Due to these restrictions, counties have become more dependent on state and federal funding. These restrictions, combined with other factors, cause the taxes counties rely on for general revenues not to keep pace with population and economic growth.

Changes under Ballot Initiative

The purpose of the ballot measure is to make it more difficult for counties, cities, schools, special districts, and the state to raise revenue by any means. It places new and increased restrictions on every manner of revenue measure and narrows exceptions to its most onerous requirements. Its provisions are so broad that while the proponents cite specific examples they are targeting for change, the measure would no doubt have many unintended consequences.

The effect will be to increase county costs, reduce tax and fee revenue for counties, subject *de rigueur* charges such as franchise fees to voter approval requirements, and open more government actions to legal challenges while simultaneously making those challenges more difficult to defend against. Further, as is the case with many ballot measures, it would write into the California Constitution contradictory and confusing language that cannot be changed or clarified without another future ballot measure that receives voter approval.

The fundamental provision of the proposed initiative would be to designate every levy, charge, or exaction of any kind imposed by the state or a local agency as either a tax or an “exempt charge.” Every revenue measure not defined as an exempt charge would be subject to voter approval requirements, some of which the initiative newly imposes or increases.

The list of exempt charges includes charges for the actual cost of a government service (such as utilities), charges for the regulatory costs of issuing licenses and performing related inspections and audits, charges for the lease or sale of government property, fines and penalties to punish violations of law, charges for tourism promotion, health care charges to increase Medi-Cal reimbursement rates, and, for local agencies, charges imposed as a condition of property development.

As proposed, every state and local revenue measure not defined as an exempt charge would need to be submitted to the voters for approval. Those measures would be required to include in both the title and summary and the ballot label the type and amount or rate of the tax, the duration of the tax, and the use of the revenue derived from the tax. In the case of local general taxes, the phrase “for general government use” would be required and it would be prohibited to include an advisory measure on the same ballot to determine how the electorate would like to see those revenues used.

Local voter initiatives that impose special taxes are currently subject to lower voting thresholds than those initiated by county and city governing boards. This measure would increase those thresholds from a majority vote to two-thirds.

This initiative would retroactively cancel other revenue measures passed by voters or approved between January 1, 2022, and the time this initiative goes into effect, if they do not comply with this measure’s provisions, even if they complied with all laws in effect at the time they passed. The proposed initiative would give those cancelled revenue measures twelve months to re-comply. However, local tax measures can only be put to voters at regular elections where governing board members can also be elected, unless the governing board unanimously calls a special election, and no regular elections would take place in the twelve months after the initiative would take effect.

The initiative reduces counties’ home rule authority by prohibiting certain types of amendments to county charters from even appearing before the voters. Whether they are proposed by the Board of Supervisors or by voters themselves, any charter amendment that provides for the imposition, extension, or increase of a tax, fee, charge, or exaction of any kind whatsoever would be prohibited.

One provision of the measure allows fines and penalties to be imposed by the judicial branch of government or imposed by a local administrative enforcement agency to punish violations of law, without voter approval. However, another section of the measure says that, notwithstanding any other provision of the Constitution, only the governing body of a local government acting by ordinance, or an elector exercising the initiative power, can impose any kind of charge without voter approval. The measure specifically prohibits any tax or fee regulating or related to vehicle miles traveled imposed as a condition of property development or occupancy.

For most local fees, the measure would prohibit them from exceeding the “actual cost” and defines actual cost to “the minimum amount necessary,” exposing counties to litigation and judicial second guessing about whether the county could have chosen a lower level of service or whether it could have achieved the result at a lower cost by other means.

The proposed measure would increase the burden of proof on local agencies to prove that a revenue measure is not subject to voter approval requirements—and that the amount of the charge is reasonable and does not exceed the “actual cost,” or “minimum amount necessary”—from a preponderance of evidence to clear and convincing evidence. Furthermore, the measure prohibits a court from considering how a local agency describes, or characterizes, a revenue measure in making its determination, whereas the use of the funds would be required to be a factor in that determination.

To give an example of a normal county process that would be impacted by the proposed measure, consider a county’s sale of a parcel of land, which falls directly under one of the categories of exempt charge, the one defined in proposed subparagraph (3) of paragraph (j) of Article XIII C Section 1, “a reasonable charge for...the purchase...of local government property.” To impose an exempt charge under the terms of the initiative, the governing body may be required to pass an ordinance specifying the amount of the exempt charge, in this case, the amount charged to purchase the property.

If anyone sued the county contesting whether the sale was an exempt charge or should instead have been treated as a tax, under the terms of the proposed initiative the court would be explicitly disallowed from factoring in the county’s description of the charge “as being paid in exchange for a[n]...asset.”

Instead, the court would be required to consider as a factor “the use of revenue derived from the...charge.” So while board members might think the county could use the proceeds from the sale of property for general purposes, in order to show by clear and convincing evidence that the charge was not a tax, it would need to prove to the court both that the amount of the charge was reasonable and “that the amount charged does not exceed the actual cost of providing the...product to the payor,” with the “actual cost” defined as “the minimum amount necessary to reimburse the government for the cost of providing the...product to the payor...where the amount charged is not used by the government for any purpose other than reimbursing that cost.” So, in selling, renting, or

leasing property, a county would be limited to the county's cost of providing the parcel to the buyer, instead of selling at market rate or to the person offering the highest amount.

At the state level, the measure would require all state taxes to receive voter approval, in addition to the current requirement for two-thirds approval of both houses of the Legislature, effectively revoking the Legislature's powers to levy new or increased taxes. Any increase or imposition of any non-tax charge, however minor, would require approval of the Legislature if it results in any taxpayer paying a higher amount. This requirement would apply to everything from bar exam fees to State Fair ticket prices to any charge for a map, shirt, or deck of cards for sale at a state park. And due to the restrictions on the use of revenue from exempt charges, revenue from map, shirt, and playing card sales at state parks could not be used to support the maintenance of the park, but only to reimburse the minimum amount necessary to provide that map, sticker, or deck of cards to the purchaser.

On the whole, the measure will limit local revenue, imperil existing revenue and laws, subject local governments to the risk of litigation, and limit the ability of governments to defend themselves in court.

What Can Counties Do?

CSAC encourages counties to consider taking an official position in opposition to Initiative #1935. While Boards of Supervisors can take official positions on ballot initiatives, county supervisors and county employees cannot use public resources to engage in advocacy related to ballot campaigns. Counties can, however, educate their constituents about the impacts propositions would have on the county and their community, despite whether they have taken a position on a ballot initiative. In fact, counties are well-positioned to provide information on the impacts of ballot measures in their local communities.

The line between education and advocacy can be difficult to differentiate at times, so CSAC staff encourages counties refer to helpful resources such as the [Institute for Local Government's papers and primers on ballot measure activities](#). Staff also highly recommends, especially when there is any doubt about a particular activity or communication, to consult with county counsel.

Attachments

- 1) [Full text of Ballot Initiative](#)
- 2) [Title and Summary](#)
- 3) [Fiscal Impact Estimate Report](#)

CSAC Staff Contact

For additional information, please contact Eric Lawyer, Legislative Advocate, California State Association of Counties (elawyer@counties.org or (916) 767-9403).

VOTE NO

THE TAXPAYER DECEPTION ACT



**Helps a wealthy few
Hurts the rest of us**

Join teachers, firefighters,
nurses, local governments, and
community organizations:

Vote NO in November!



TaxpayerDeceptionAct.com

VOTE NO!

HAS A HIDDEN AGENDA

Wealthy real estate corporations buried a *“retroactivity clause”* deep in their measure that lets them avoid paying their fair share.

It cancels the *‘Mansion Tax’* Los Angeles voters passed to build affordable housing and prevent homelessness.

But the greedy landlords’ hidden agenda doesn’t stop there.



HURTS VOTERS’ RIGHTS

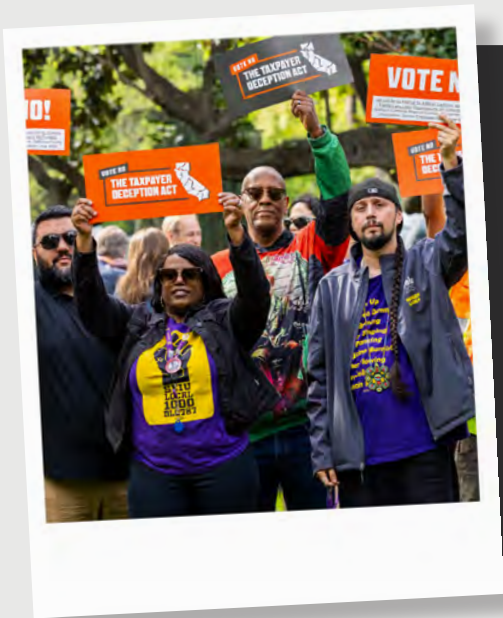
Eliminates voters’ ability to direct how local tax money is spent and overturns more than two hundred and fifty local ballot measures already approved by voters.

The Taxpayer Deception Act HURTS ALL OF US

The independent Legislative Analyst's Office says the Taxpayer Deception Act will significantly reduce funding for the critical services we rely on.

All of these vital programs are at risk:

- Public schools
- Fire and 911 emergency response
- Public health
- Parks
- Libraries
- Paid Family Leave
- California's climate laws
- Programs that keep housing affordable
- Services to support homeless residents
- Mental health services
- Fixing potholes and bridges
- Gun violence prevention



ONLY HELPS BIG REAL ESTATE

The developers, mega landlords and other wealthy real estate corporations behind this measure are trying to pull a bait and switch.

They want us to think it protects taxpayers and consumers fed up with high taxes and prices. The truth is that their measure creates new loopholes so they will pay less, while we will be forced to pay more.

JOIN US!

Add Your Organization as a NO Endorser at TaxpayerDeceptionAct.com

Ad Paid for by Alliance for a Better California, NO on the Taxpayer Deception Act.

Sponsored by Working Families and Labor Organizations.

Ad Committee's Top Funders:

California Teachers Association

Northern California Regional Council of Carpenters

State Building & Construction Trades Council of California

Funding details at www.FPPC.ca.gov

ATTACHMENT A

LEGISLATIVE COMMITTEE MEETING STAFF REPORT

Agenda Item No. 3 Legislation Affecting LAFCOs

Meeting Date: June 14, 2024

Prepared By: René LaRoche, Chair

RECOMMENDATIONS

Consider legislation that may have an impact on LAFCOs and take positions or provide direction where appropriate.

DISCUSSION

Legislative activity, as expected, has been quite robust since the last legislative committee meeting due to a parade of successive May deadlines. Of those, May 24th was by far the most important as it marked the absolute last day for each house to pass the bills that were introduced in that house.

The first half of June represents something of a reprieve as the month's deadlines focus on the state budget. However, higher activity can be expected in the last week of June as summer recess is scheduled to begin upon adjournment on July 3rd.

Since last month, AB 2661 (Soria) Electricity: Westlands Water District has been added to the list as a Priority 3 bill, and is discussed below.

Of the remaining seven bills being monitored, AB 3277 (ALGC) and SB 1209 (Cortese), are both CALAFCO sponsored bills (and, consequently, listed in the Priority 1 list of bills.) The remaining bills being tracked are all marked as Priority 3 and include AB 805 (Arambula), which would set up technical, administrative, financial, and other assistance to certain sewer systems in disadvantage communities and which carries a support if amended position, and the same four Brown Act bills, which are all marked to watch.

Priority 1 Bills - *(Major importance & direct, significant impact or policy precedent. Resource intensive.)*

A. AB 3277 (ALGC) Local agency formation commission: districts: property tax. – CALAFCO sponsored.

This was an Omnibus bill submission and was moved forward as that. It was later determined by the ALGC to not meet the technical definition of an Omnibus bill as merely making technical changes. However, the committee graciously brought it forward as a stand-alone bill.

This bill would limit the requirement for a financial analysis of ad valorem taxes during the formation of a district to those instances when a share of the tax is sought. Because of the property tax element, it has been keyed as fiscal.

Since the last committee meeting, AB 3277 passed the Senate Local Government Committee, where it was re-referred to Appropriations with a recommendation for placement on the Consent agenda. It had been scheduled for a June 10th hearing but was removed from the agenda and is now waiting on a new hearing date.

CURRENT POSITION: *Sponsor*
No action requested.

B. SB 1209 (Cortese) Indemnification – CALAFCO sponsored.

This bill was proposed at the beginning of 2023 in response to a 2022 Appellate court decision that found that LAFCOs, as delegates of the state legislature, are not authorized to enter into indemnification agreements. This bill was proposed to correct that oversight. At that time, opposition was expressed by the California Special Districts Association (CSDA) and no author could be identified by the bill submission deadline. However, that provided the impetus and opportunity to conduct extensive stakeholder outreach with the sister entities throughout 2023, which successfully elicited either support or agnosticism from each.

2024 became the second bite of the apple for this particular bill and CALAFCO was fortunate to procure Senator Dave Cortese as the Author. However, once introduced, the bill met with resistance from an unexpected quarter when the California Building Industry Association (CBIA) contacted the Author with concerns. That began a process of negotiations at the Author's request.

The bill passed through the Senate Local Government Committee on March 20, 2024, and out of the Senate on May 21st (days before the originating house deadline), However, negotiations with the California Building Industry Association (CBIA) remained active and ongoing through that time, and finally concluded with a final proposal that was accepted by CBIA on June 5th.

Pursuit of this bill has been unexpectedly difficult and, while not yet at a point of declaring success, thanks and appreciation must be expressed to: Paul Novak, Los Angeles LAFCO, for the commitment of countless hours to negotiate and strategize the best path forward; David Ruderman, Colantuono Highsmith and Whatley, for lending a legal eye and mind to the proceedings; and to Steve Lucas, Butte LAFCO, for always being available to assist and for attending a very last minute meeting to review, provide expertise, and strategize steps forward.

CURRENT POSITION: Sponsor
No action requested.

Priority 2 Bills – (Direct impact, or set policy precedent. Letter & testimony.)

None.

Priority 3 Bills – (Of interest, may have substantive effect, but low priority as to time & effort. Letter.)

C. NEW: AB 2661 (Soria D) Electricity: Westlands Water District

This bill was introduced as a spot holder on February 14, 2024. It was then amended on March 21, 2024, to address planning for solar by water districts (in general) and, through another amendment on April 24, 2024, it became a special bill focused on the Westlands Water District in Fresno County. In its latest, and current form, the bill seeks to add Section 37860 into the Water Code to define additional powers for the Westlands Water District specifically to address the generation of electricity.

The E.D. and Steve Lucas met with the Senate Local Government Committee Chief Consultant on June 5, 2024, to provide background information for the June 11, 2024, hearing. Because of the potential for AB 2661 to become a precedent setting action, upon the recommendation of E.O. Lucas, and under the authorities contained in the Association's Legislative Policies, the E.D. submitted a Support, If Amended position letter (Attachment 3.C.a.), with the amendment requested being clarification that any request for a new or expanded service must go through LAFCO. The committee, consequently, is being asked to review the matter and ratify or change the position.

This bill enjoys broad support including from: California Citrus Mutual; California State Association of Electrical Workers; Western Growers Association; Western Agricultural Processors Association; Agricultural Council of California; Self-Help Enterprises; Agricultural Energy Consumers Association; Coalition of California Utility Employees; Westlands Water District; California Walnut Commission; Self-Help Enterprises; California Avocado Commission; Almond Alliance of California; California Cotton Ginners Association; City of Avenal; Carter, Wetch & Associates; California Coalition of Utility Employees (CCUE); City of Coalinga; Golden State Clean Energy LLC; Harris Farms INC; and Regenerate California Innovation, INC.

The only opposition on record is from the California Wind Energy Association.

CURRENT POSITION: Support, If Amended

Action Requested: Ratify or Change the Position.

D. AB 805 (Arambula) Sewer service: disadvantaged communities

This bill, as introduced on 2/13/23, sought to amend Health and Safety Code to add language to provide a mechanism allowing the State Board to order a consolidation of sewer services at the same time that it ordered consolidation of drinking water systems, the latter of which being an existing authority. In that form, it was heard and passed by the Assembly Environmental Safety and Toxic Material committee on 3/28/23, and the Assembly Appropriations Committee on 1/18/24.

On 1/22/2024, AB 805 was gutted and amended to, instead, add language to the Water Code to authorize the State Water Resources Control Board to provide technical, administrative, managerial, legal, or financial aid to designated sewer systems in disadvantaged communities. The bill also carries an urgency clause which would cause it to take effect immediately upon chaptering, if passed. Having had two readings in the original format, the bill passed off the Assembly Floor and to the Senate on 1/30/2024.

The bill was again amended on May 15, 2024, and amended definitions contained in Water Code Section 13288, and added a new Section 13289.5 in Water Code (which is the Chapter dealing with Sewer Service, contained in the Water Quality Division) that focuses more narrowly on administrative, technical, and financial assistance for struggling systems. The urgency clause remains.

The bill was considered by the Senate Environmental Quality Committee on June 5, 2024, but was re-referred to Appropriations. No new hearing date has been scheduled yet.

CURRENT POSITION: Support, If Amended

Amended. No action requested.

BROWN ACT BILLS:

E. AB 817 (Pacheco) Open meetings: teleconferencing: subsidiary body. – BROWN ACT

This bill began as a spot holder but was amended on 3/16/2023 to speak to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site-providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

The bill received a minor amendment on 1/17/2024, when a sunset date of January 1, 2026 was added. Bill status is unchanged from last month. On 1/25, 2024, it passed the Assembly Floor and to the Senate and sat static for some time. However, it began moving again in May and has since passed several hearings and has been amended again.

In the latest amendment, occurring on May 29, 2024, language was added that requires the designation of a primary physical meeting location, that the location be staffed by a local agency member, and provides that the public may physically attend and participate the meeting from the designated physical meeting location. It also requires members of the subsidiary body to visibly appear on camera during open portions which the public may attend; and requires that members participating remotely shall be listed in the meeting minutes.

CURRENT POSITION: Watch
Amended. No action requested.

F. AB 2302 (Addis) Open meetings: local agencies: teleconferences.

Introduced on 2/12/2024, this bill would enact changes to Brown Act provisions that allow members of legislative bodies to teleconference for meetings. Currently, the law limits teleconferencing to no more than 3 consecutive months, 20% of the regular meetings in a calendar year, or 2 meetings for bodies that meet less than 10 times in a calendar year. This bill redefines those limits into new tiers based on the meeting frequency. As proposed, the limits would be recast as 2 meetings per year for bodies meeting monthly or less; 5 meetings per year for those meeting twice per month; or 7 meetings per year if the body meets three times or more per month.

This bill passed unchanged out of the Assembly and to the Senate on May 9, 2024. On June 5, 2024, it was considered and passed by the Senate Local Government, again unchanged. It had its Second Reading on June 5th, and is currently scheduled for Third Reading on June 10, 2024.

CURRENT POSITION: Watch
Unchanged. No action requested.

G. AB 2715 (Boerner) Ralph M. Brown Act: closed sessions.

As introduced on 2/14/2024, made only minor grammatical changes to the Brown Act. However, on 4/24/2024, it was amended to include cybersecurity threats among the things that can be discussed in closed session. A definition of "critical infrastructure controls" was also added to include I.T. networks.

The bill passed out of the Assembly on 5/16/2024 and was approved by the Senate Local Government Committee hearing on 6/5/2024 where it was re-referred to the Judiciary Committee. At this writing, AB 2715 is awaiting a new hearing date with the Senate Judiciary Hearing.

CURRENT POSITION: Watch
Unchanged. No action requested.

H. SB 537 (Becker) Open meetings: multijurisdictional, cross-county agencies: teleconferences. – BROWN ACT

This bill is sponsored by Peninsula Clean Energy, and seeks to add teleconferencing provisions allowing legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity. Peninsula Clean Energy is a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

The bill passed out of the Assembly Local Government Committee on July 12, 2023. It was then amended on August 14, 2023, to require eligible legislative bodies that receive compensation to participate from a physical location that is open to the public.

On September 14, 2023, the bill was moved into the inactive file where it remained until June 3, 2024, when Assembly Member Hart pulled it.

As of this writing, SB 537 is sitting on the Senate Floor and is scheduled for its third reading on June 10, 2024.

CURRENT POSITION: Watch
Reactivated. No action is requested.

ATTACHMENTS

- 3. A. – AB 3277 (ALCG), Ad Valorem Tax Analysis – CALAFCO Sponsored Bill
- 3. B. – SB 1209 (Cortese), Indemnification Provision – CALAFCO Sponsored Bill
- 3. C. – AB 2661 (Soria, E), Electricity: Westlands Water District
- 3. C. a. CALAFCO Support, If Amended letter
- 3. D. – AB 805 (Arambula), Sewer service: disadvantaged communities
- 3. E. – AB 817 (Pacheco) Brown Act, subsidiary body
- 3. F. – AB 2302 (Addis) Open meetings: local agencies: teleconferences.
- 3. G. – AB 2715 (Boerner) Ralph M. Brown Act: closed sessions.
- 3. H. – SB 537 (Becker) Brown Act, multijurisdictional cross-country agencies

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CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 3277

Introduced by Committee on Local Government

February 27, 2024

An act to amend Section 56810 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3277, as introduced, Committee on Local Government, Local agency formation commission: districts: property tax.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. Existing law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Existing law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined.

This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes. By adding to the duties of a local agency formation commission, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 56810 of the Government Code is amended to read:

56810. (a) (1) If the proposal includes the incorporation of a city, as defined in Section 56043, the commission shall determine the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section and Section 56815.

(2) If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, *and if the applicant is seeking a share of the 1 percent ad valorem property taxes*, the commission shall determine the amount of property tax to be exchanged by the affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal and the services which the new jurisdiction proposes to assume within the area, and identify for the auditor the existing service providers within the area subject to the proposal.

(c) If the proposal would not transfer all of an affected agency's service responsibilities to the proposed city or district, the commission and the county auditor shall do all of the following:

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by each affected local agency pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by each affected local agency in the prior fiscal year. For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which an affected local agency may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue which, by statute, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments which are levied to specifically offset the cost of particular services and do not exceed the cost reasonably borne in providing these services.

ATTACHED FILE(S)

(C) Revenue received from the federal government which is required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by each affected local agency, an amount equal to the total net cost to each affected local agency during the prior fiscal year of providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the affected local agency and excludes any portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

(3) The commission shall multiply the amount determined pursuant to paragraph (2) for each affected local agency by the corresponding proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by each affected local agency during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount described in the previous sentence by the annual tax increment according to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the new city or district receives its initial allocation of property taxes.

(4) For purposes of this subdivision, in any county in which, prior to the adoption of Article XIII A of the California Constitution, and continuing thereafter, a separate fund or funds were established consisting of revenues derived from the unincorporated area of the county and from which fund or funds services rendered in the unincorporated area have been paid, the amount of property tax revenues derived pursuant to paragraph (3), may, at the discretion of the commission, be transferred to the proposed city over a period not to exceed 12 fiscal years following its incorporation. In determining whether the transfer of the amount of property tax revenues determined pursuant to paragraph (3) shall occur entirely within the fiscal year immediately following the incorporation of the proposed city or shall be phased in over a period not to exceed 12 full fiscal years following the incorporation, the commission shall consider each of the following:

(A) The total amount of revenue from all sources available to the proposed city.

(B) The fiscal impact of the proposed transfer on the transferring agency.

(C) Any other relevant facts which interested parties to the exchange may present to the commission in written form.

The decision of the commission shall be supported by written findings setting forth the basis for its decision.

(d) If the proposal would transfer all of an affected agency's service responsibilities to the proposed city or district, the commission shall request the auditor to determine the property tax revenue generated for the affected service providers by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to paragraph (3) of subdivision (c) or subdivision (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to paragraph (4) of subdivision (c), at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the new jurisdiction.

(f) The amendments to this section enacted during the 1985–86 Regular Session of the Legislature shall apply to any proposal described in subdivision (a) for which a certificate of completion is recorded with the county recorder on or after January 1, 1987.

(g) For purposes of this section, "prior fiscal year" means the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform the calculations required by this section are available preceding the issuance of the certificate of filing.

(h) An action brought by a city or district to contest any determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section shall be commenced within three years of the effective date of the city's incorporation or the district's formation. These actions may be brought by any city that incorporated or by any district that formed on or after January 1, 1986.

(i) This section applies to any city that incorporated or district that formed on or after January 1, 1986.

(j) The calculations and procedures specified in this section shall be made prior to and shall be incorporated into the calculations specified in Section 56815.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

SENATE BILL

NO. 1209

Introduced by Senator Cortese

February 15, 2024

An act to add Section 56383.5 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1209, as introduced, Cortese. Local agency formation commission: indemnification.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. The act continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified.

This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:****SECTION 1.** Section 56383.5 is added to the Government Code, to read:

56383.5. The commission may require, as a condition for processing a change of organization or reorganization, a sphere amendment or a sphere update, or any other action or determination requested from the commission, that the applicant agrees to defend, indemnify, and hold harmless the commission, its agents, officers, and employees from any claim, action, or proceeding against the commission, its agents, officers, or employees arising from or relating to the action or determination by the commission.

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MAY 16, 2024

AMENDED
IN
ASSEMBLY
APRIL 24, 2024

AMENDED
IN
ASSEMBLY
MARCH 21, 2024

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 2661

Introduced by Assembly Member Soria

February 14, 2024

An act to ~~amend Section 454.57 of the Public Utilities Code, and to~~ add Chapter 4 (commencing with Section 37860) to Part 8.1 of Division 13 of the Water Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2661, as amended, Soria. Electricity: ~~transmission facility planning~~: Westlands Water District.

~~(1) Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities. Existing law requires the PUC to adopt a process for each load-serving entity, as defined, to file an integrated resource plan and a schedule for periodic updates to the plan to ensure that it meets, among other things, the state's targets for reducing emissions of greenhouse gases and the requirement to procure at least 60% of its electricity from eligible renewable energy resources by December 31, 2030. Under existing law, after the load-serving entities updated the integrated resource plans pursuant to the schedule adopted by the PUC, the PUC adopted an aggregated resource portfolio known as the preferred system plan.~~

~~Existing law establishes an Independent System Operator (ISO) as a nonprofit public benefit corporation, and requires the ISO to ensure the efficient use and reliable operation of the electrical transmission grid consistent with the achievement of planning and operating reserve criteria, as specified. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission, to provide, not later than March 31, 2024, transmission-focused guidance to the ISO about resource portfolios of expected future renewable energy resources and zero-carbon resources. Existing law requires the guidance to include the allocation of those resources by region based on technical feasibility and commercial interest in each region.~~

~~This bill would require the PUC to perform a sensitivity analysis evaluating the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. The bill would require the PUC to transmit the sensitivity analysis to the ISO for evaluation as part of the next transmission planning process.~~

~~(2) The~~

~~The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District.~~

~~This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic or hydroelectric electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system and electric transmission lines, within the boundaries of the district, as specified. *The bill would require the district to report the amount of income, and the purposes for expenditure of that income, from these electricity facilities in a specified report.*~~

~~This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.~~

Digest Key

Vote: majority Appropriation: no Fiscal Committee: ~~yes~~no Local Program: no

ATTACHED FILE(S)

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

~~SECTION 1. Section 454.57 of the Public Utilities Code is amended to read:~~

~~454.57.(a) This section shall be known, and may be cited, as the Accelerating Renewable Energy Delivery Act.~~

~~(b) The Legislature finds and declares all of the following:~~

~~(1) The commission, the Energy Commission, and the State Air Resources Board have jointly estimated that the state's installed electric generation may need a threefold increase in capacity to meet state carbon-free electricity policy targets.~~

~~(2) Record-setting renewable energy generation build rates are needed to meet the goals of the California Renewables Portfolio Standard Program and the Senate Bill 100 (Chapter 312 of the Statutes of 2018) target of supplying 100 percent of retail sales of electricity from renewable energy resources and zero-carbon resources. However, these build rates are not achievable without additional electrical transmission lines and facilities connecting new resources to consumers in the state's load centers.~~

~~(3) In recent years, California has seen problems in delivering renewable energy resources and zero-carbon resources to customers, including problems caused by constraints on the transmission system. First, there are generation pockets where the total potential output from renewable energy generation exceeds the capacity of the transmission system to export that energy. Second, there are load pockets where there is insufficient transmission capacity to import the renewable energy resources and zero-carbon resources that are available. Both types of constraints should be promptly fixed so that all available renewable energy resources and zero-carbon resources can be delivered to customers.~~

~~(4) Reducing the use of nonpreferred resources in disadvantaged communities has been a priority for those communities, and they would benefit from increased access to electricity from new renewable energy resources and zero-carbon resources delivered to serve in-city loads.~~

~~(5) New transmission facilities have many steps that must be accomplished before they are online and delivering electricity. Major new transmission lines can take more than a decade from initial planning to operation.~~

~~(6) New transmission facilities should be planned proactively to support delivery to load centers from expected locations for future renewable energy resource and zero-carbon resource development, where those locations are identified in the integrated resource planning process pursuant to Sections 454.52 and 9621 or as part of longer range planning processes pursuant to Section 454.53.~~

~~(7) The Central Valley may have the potential to host substantially increased amounts of solar energy generation and energy storage beyond current planning assumptions if there were sufficient transmission capacity to deliver the energy to load centers. The commission, Energy Commission, and Independent System Operator should consider potential increased development of solar energy generation and energy storage in the Central Valley and of the transmission capacity needed to deliver that energy to load centers.~~

~~(8) New transmission facilities should be designed to minimize the risk of transmission-triggered wildfires.~~

~~(9) New transmission facilities should be designed to facilitate renewable energy transmission across California to better manage the variability of electrical supply.~~

~~(10) The Independent System Operator has issued a 20-Year Transmission Outlook that identifies substantial additional transmission projects needed to integrate renewable energy resources and storage for retail suppliers within the Independent System Operator balancing authority. Given the scale of this challenge, there is an urgent need to prioritize and accelerate the substantial effort needed to build transmission projects with long development times.~~

~~(c) Recognizing that the Independent System Operator's Federal Energy Regulatory Commission-approved tariff requires the Independent System Operator to plan and approve new transmission facilities needed to achieve the state's goals, it is the intent of the Legislature that the Independent System Operator shall take notice of the state policies expressed in this section.~~

~~(d)(1) In support of the state's policy to supply increasing amounts of electricity from renewable energy resources and zero-carbon resources pursuant to Article 16 (commencing with Section 399.11) and Section 454.53, beginning as soon as possible and not later than March 31, 2024, the commission, in consultation with the Energy Commission, shall provide transmission-focused guidance to the Independent System Operator about resource portfolios of expected future renewable energy resources and zero-carbon resources. The guidance shall include the allocation of those resources by region based on technical feasibility and commercial interest in each region to allow the Independent System Operator to identify and approve transmission facilities needed to interconnect resources and reliably serve the needs of load centers.~~

~~(2)(A) For purposes of the next integrated resource plan cycle after January 1, 2025, the commission shall perform a sensitivity analysis evaluating the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025.~~

~~(B) The commission shall transmit the results of the sensitivity analysis performed pursuant to subparagraph (A) to the Independent System Operator for evaluation as part of the next transmission planning process.~~

~~(e) In providing the guidance described in subdivision (d), the commission and the Energy Commission shall provide projections each year, including from the integrated energy policy report prepared pursuant to Section 25302 of the Public Resources Code and the load-serving entities' integrated resource plans prepared pursuant to Section 454.52, to support planning and approvals by the Independent System Operator in its annual transmission planning process, including by doing all of the following:~~

~~(1) Providing projections of resource portfolios and electricity demand by region for at least 15 years into the future to ensure adequate lead time for the Independent System Operator to analyze and approve transmission development, and for the permitting and construction of the approved facilities, to meet the projections;~~

~~(2) Providing load growth projections, including projected growth from building and transportation electrification, that are consistent with achieving the economywide greenhouse gas emissions reductions required pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code;~~

~~(3) Providing projections of new renewable energy resources and zero-carbon resources consistent with the build rates necessary to achieve the targets established in Article 16 (commencing with Section 399.11) and Section 454.53;~~

~~(4)(A) Providing resource projections that, combined with transmission capacity expansions, are expected to substantially reduce, no later than 2035, the need to rely on nonpreferred resources in local capacity areas;~~

~~(B) The resource projections in subparagraph (A) shall include consideration of cost-effective and feasible alternatives to transmission capacity expansions, including the use of energy storage resources, renewable energy resources, or zero-carbon resources that are located within the local capacity areas;~~

~~(5) Providing projections for offshore wind generation as identified by the SB 100 Joint Agency Report of the commission, the Energy Commission, and the State Air Resources Board, and informed by the strategic plan developed pursuant to Section 25991 of the Public Resources Code, to allow the Independent System Operator~~

ATTACHMENT 36

~~to identify and approve transmission facilities needed from offshore wind resource areas that would be sufficient to make offshore wind resources fully deliverable to load centers:~~

~~(c) Providing projections for increases in imports of electricity into the state that reflect the expected development of renewable energy resources and zero-carbon resources in other parts of the Western Interconnection for the purpose of delivering clean energy to California balancing authorities:~~

~~(f) On or before January 15, 2023, the commission shall request the Independent System Operator to do both of the following:~~

~~(1) Identify, based as much as possible on studies completed before January 1, 2023, by the Independent System Operator and projections provided before January 1, 2023, by the commission and the Energy Commission, the highest priority transmission facilities that are needed to allow for increased transmission capacity into local capacity areas to deliver renewable energy resources or zero-carbon resources that are expected to be developed by 2035 into those areas:~~

~~(2) Consider whether to approve transmission projects identified pursuant to paragraph (1) as part of its 2022–23 transmission planning process:~~

~~(g) It is the policy of the state that new transmission facilities be built on a timely basis and in anticipation of new electrical generation that will be built to meet the state's renewable energy resource and zero-carbon resource targets, with interim targets for transmission capacity additions that demonstrate adequate progress toward meeting these long-term transmission needs. The commission shall request that the Independent System Operator implement this policy by approving transmission projects needed based on a longer planning period supported by the guidance provided pursuant to subdivisions (d) and (e). The projects should be approved in time to be online when needed, considering permitting and construction lead times:~~

~~(h) It is the policy of the state that planning for new transmission facilities considers the following goals:~~

~~(1) Minimizing the risk of wildfire:~~

~~(2) Increasing systemwide reliability and cost efficiency, including through the sharing of diverse electrical generation resources within California and with other parts of the Western Interconnection:~~

~~(3) Eliminating transmission constraints that prevent electrical generation resources from delivering to the wider grid and that prevent importing energy into load pockets:~~

~~(i) For purposes of this section, the following definitions apply:~~

~~(1) "Local capacity area" means a transmission constrained load pocket, as identified by the Independent System Operator, where local generation capacity is needed for reliability due to insufficient transmission capacity into the load pocket to meet electricity demand with electricity from outside of the load pocket:~~

~~(2) "Nonpreferred resources" means electrical generation resources that are not renewable energy resources or zero-carbon resources pursuant to Section 454.53:~~

SEC. 2. SECTION 1. Chapter 4 (commencing with Section 37860) is added to Part 8.1 of Division 13 of the Water Code, to read:

CHAPTER 4. Additional Powers of the District

37860. (a) For purposes of this section, "for its own purposes" means the Westlands Water District performing only functions within its capacity as a water district, including, but not ~~be~~ limited to, any of the following:

- (1) Pumping operations.
- (2) Water treatment operations.
- (3) Barrier intrusion operations.
- (4) Desalination operations.

(b) (1) The Westlands Water District may provide, generate, and deliver solar photovoltaic or hydroelectric electricity, and may construct, operate, and maintain any and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for generating and delivering that electricity.

(2) An electric powerplant or transmission line constructed pursuant to this subdivision may be leased for operation.

(3) The electricity generated pursuant to this subdivision shall be used by the Westlands Water District for its own purposes. The district may sell surplus electricity to a public or private entity that is engaged in the distribution or sale of electricity.

(c) The Westlands Water District may construct, operate, and maintain an energy storage system, as defined in Section 2835 of the Public Utilities Code, and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the operation of an energy storage system, within the boundaries of the district, regardless of whether the energy storage system is interconnected to or directly charged by an electric powerplant constructed pursuant to subdivision (b). An energy storage system constructed pursuant to this subdivision may be leased for operation. The district may operate an energy storage system in a manner intended, as determined by the district, to increase the economic value of the energy storage system and the district is not required to use the discharging energy for its own purposes. The district may purchase discharging energy through a market administered by the Independent System Operator. The district may sell discharging energy and any attributes of the energy storage system through a market administered by the Independent System Operator.

(d) The Westlands Water District may construct, operate, and maintain electrical transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity within the boundaries of the district, regardless of whether the transmission lines are used for the purpose of conveying electricity from an electric powerplant constructed pursuant to subdivision (b). Transmission lines constructed pursuant to this subdivision may be leased for operation. The district may sell the rights to use transmission lines constructed pursuant to this subdivision to any public or private entity that is engaged in the distribution or sale of electricity. Transmission facilities developed pursuant to this section shall be controlled by a California balancing authority, as defined in Section 399.12 of the Public Utilities Code, regardless of ownership by the Westlands Water District or a subsequent owner.

(e) This section does not authorize the Westlands Water District to provide, sell, or deliver electricity at retail.

(f) The Westlands Water District shall not acquire property employed in the generation or delivery of electricity for public or private utility purposes, except by mutual agreement between the district and the owner of that property.

(g) The Westlands Water District shall report the amount of income, and the purposes for expenditure of that income, from electricity facilities constructed pursuant to this section in the report required by Section 53892 of the Government Code.

SEC. 3. SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need of the Westlands Water District to support the development of solar electrical generation for the electrical grid and to facilitate the development of transmission capacity to help California reach its clean energy and climate goals.



June 5, 2024

Honorable Maria Elena Durazo, Chair
Senate Local Government Committee
State Capitol, Room 407
Sacramento, CA 95814

Subject: SUPPORT, IF AMENDED - AB 2661 (Soria) Electricity: Westlands Water District

Dear Chair Durazo and Committee Members,

The California Association of Local Agency Formation Commissions (CALAFCO), which represents Local Agency Formation Commissions (LAFCOs) throughout California, **supports Assembly Bill (AB) 2661**, as amended on May 16, 2024, **if amended** to clarify that any request for a new or expanded service must go through LAFCO.

While LAFCOs already have approval authority under existing statutes, special legislation such as this is often interpreted by others as setting up a process separate from LAFCO. Clarifying LAFCO's existing authority will prevent any ambiguity from arising.

Further, while this bill is specific to the Westlands Water District, we would also note that it has generic applications. Thus, while it is not a requested amendment, we would recommend consideration of making this an optional power under Division 13, of the Water Code, relative to all California Water Districts.

Thank you for your work on this bill and for your consideration of this request. I am available to answer any questions you may have.

Sincerely,

René LaRoche, Executive Director
rlaroch@calafco.org

cc: Members and Consultants, Senate Local Government Committee

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IN
SENATE
MAY 15, 2024

AMENDED
IN
ASSEMBLY
JANUARY 22, 2024

AMENDED
IN
ASSEMBLY
MARCH 09, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 805

Introduced by Assembly Member Arambula

February 13, 2023

An act to amend Sections 13288 and 13442 of, and to add Section 13289.5 to, the Water Code, relating to water quality, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 805, as amended, Arambula. Sewer service: disadvantaged communities.

Under existing law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Existing law authorizes a regional board to order the provision of sewer service by a receiving sewer system, as defined, to a disadvantaged community served by an inadequate onsite sewage treatment system, as defined.

This bill would authorize the state ~~board~~ *board, until January 1, 2029, and after it makes specified findings by resolution or a prescribed process*, to require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the provision of adequate sewer service, as defined. The bill would also authorize the state board to order a designated sewer system to accept those services, including full management and control of all aspects of the designated sewer system, from an administrator. The bill would define "designated sewer system" for these purposes as a sewer system that serves a disadvantaged community ~~and that the state board finds to be that is~~ either an ~~inadequate sewage treatment~~ *inadequate sewer* system or a sewer system that has demonstrated ~~difficulty in maintaining a failure to maintain~~ technical, managerial, and financial capacity to prevent ~~fraud and mismanagement, or a sewer system that voluntarily accepts financial assistance for the provision of adequate sewer service: waste, fraud, and abuse.~~

The bill would require the state board to take specified actions before determining that a sewer service provider is a designated sewer system, including providing the sewer service provider an opportunity to show that it has taken steps to timely address its failure to ~~provide be an adequate sewer service; system or to timely address its failure to maintain technical, managerial, and financial capacity~~, conducting a public meeting, and providing an opportunity for public comment. The bill would authorize the state board to grant specified authority over the designated sewer system to the administrator, including the authority to expend money for various purposes and to set and collect sewer rates and ~~fees; subject to approval by the state board: fees.~~ The bill would require the state board to work with the administrator and the communities served by the designated sewer system to develop, within the shortest practicable time, adequate technical, managerial, and financial capacity to deliver adequate sewer service so that the services of the administrator are no longer necessary.

Existing law creates the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund and continuously appropriates moneys in the account to the state board for specified purposes, including providing grants for cleaning up a waste, abating the effects of a waste on waters of the state, or addressing an urgent drinking water need, as provided.

This bill would authorize the state board to also use moneys in the account to provide grants to administrators *for specified purposes, including, among others*, to provide administrative, technical, operational, legal, or managerial services to a sewer service provider. By expanding the purposes for which moneys in a continuously appropriated account may be spent, the bill would make an appropriation.

This bill would declare that it is to take effect immediately as an urgency statute.

Digest Key

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

ATTACHED FILE(S)

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:****SECTION 1.** Section 13288 of the Water Code is amended to read:

13288. For purposes of this chapter, the following definitions apply:

- (a) "Adequate sewer service" means ~~sanitary sewer service provided by~~ a sewer service provider that ~~does not have the potential to cause a violation of water quality objectives, impair present or future beneficial uses of water, cause pollution, nuisance, or contamination of waters of the state, or unreasonably degrade the waters of the state; meets public health and environmental standards.~~
- (b) "Administrator" means a person whom the state board has determined is competent *and willing* to perform the administrative, technical, operational, legal, or managerial services required for purposes of this chapter, pursuant to criteria set forth in the handbook described in subdivision ~~(h)~~ (i) of Section 13289.5. *An administrator may be any qualified individual, firm, or another sewer service provider.*
- (c) "Affected residence" means a residence within a disadvantaged community that may be subject to provision of sewer service pursuant to this chapter.
- (d) "Affected resident" means a resident or a property owner of an affected residence.
- (e) "Annexation" has the same meaning as set forth in Section 56017 of the Government Code.
- (f) "Designated sewer system" means a sewer system that serves a disadvantaged community ~~and that the state board finds to be that is~~ either an inadequate ~~sewage treatment sewer~~ system or a sewer system that has demonstrated ~~difficulty in maintaining a failure to maintain~~ technical, managerial, and financial capacity to prevent ~~fraud and mismanagement.~~ *"Designated sewer system" also includes a voluntary participant: waste, fraud, and abuse.*
- (g) "Disadvantaged community" means a disadvantaged ~~community~~ *community*, as defined in Section ~~79505.5; 79505.5, or a low-income community, as defined in Section 39713 of the Health and Safety Code.~~
- (h) "Extension of service" has the same meaning as set forth in Section 56133 of the Government Code.
- (i) "Inadequate onsite sewage treatment system" means an onsite sewage treatment system that has the reasonable potential to cause a violation of water quality objectives, to impair present or future beneficial uses of water, or to cause pollution, nuisance, or contamination of waters of the state.
- (j) "Inadequate ~~sewage treatment sewer~~ system" means a sewer ~~system that has the reasonable potential to cause a violation of water quality objectives, to impair present or future beneficial uses of water, or to cause pollution, nuisance, or contamination of waters of the state;~~ *service that fails to meet regulatory standards for proper wastewater collection, treatment, and disposal, and may exhibit deficiencies, such as infrastructure failure, insufficient capacity, or ineffective treatment of wastewater.*
- (k) (1) "Onsite sewage treatment system" means an onsite sewage treatment system, as defined in Section 13290, that is not operated by a local agency, as defined in Section 56054 of the Government Code, or a utility regulated by the Public Utilities Commission.
- (2) "Onsite sewage treatment system" includes, but is not limited to, a septic tank, cesspool, leach field, and seepage pit.
- (l) "Provision of sewer service" means the provision of sanitary sewer service, including the collection or treatment of sewage, to a disadvantaged community by any of the following processes:
- (1) Annexation where the receiving sewer system is a special district.
 - (2) Extension of service where the receiving sewer system is a city, county, or special district.
 - (3) Additional sewer service provided within city, county, or special district boundaries.
- (m) "Receiving sewer system" means the sewer system that provides service to a disadvantaged community pursuant to this chapter.
- (n) "Sewer service provider" means any local agency that provides sanitary sewer ~~service;~~ *service, including wastewater collection, treatment, disposal, or any combination thereof.*
- (o) "Special district" means a special district as defined in Section 56036 of the Government Code.

~~(p) "Voluntary participant" means the owner of an onsite sewage treatment system or sewer service provider who has agreed to accept financial assistance for the provision of adequate sewer service.~~

SEC. 2. Section 13289.5 is added to the Water Code, immediately following Section 13289, to read:

13289.5. (a) The state board may, by resolution or through the process described in the guidelines authorized pursuant to subdivision (e) of Section 13442, make findings that a sewer service provider has an inadequate sewer system, as defined in Section 13288, and that it is in the best interest of the customers of the inadequate sewer system and the State of California that an administrator be appointed to assist a sewer service provider with making improvements necessary to develop an adequate sewer system. When those findings are made, the sewer service provider shall be referred to as a "designated sewer system."

~~(a)(1) For~~

(b) Following adoption of a resolution based on the findings required by subdivision (a) for a designated sewer system, the state board may do any of the following:

~~(A)(i)~~

(1) (A) Require a sewer service provider to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services, or any combination of those services, to assist the designated sewer system with the provision of adequate sewer service.

~~(ii)~~

(B) To fulfill the requirements of this section, a sewer service provider may contract with administrators. Where administrator services are comprehensive, the sewer service provider may contract with no more than one administrator, but only one administrator may be used to provide services to a given designated sewer system; administrator at a time. Where administrator services are limited in scope, a sewer service provider may contract with more than one limited scope provider at a time, provided that in no instance will the scopes overlap. An administrator that is not designated or approved by the state board shall not be used for purposes of this section.

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~~(iii)~~

(C) An administrator may provide services to more than one designated sewer system.

(D) If a designated sewer system is also a water system that has been ordered to consolidate or has been ordered to accept assistance from an administrator, the state board shall consider designating the same administrator for the designated sewer system that was designated to the water system, and requiring that administrator to consult with the management of both the designated water and the designated sewer system in carrying out their duties.

~~(B)~~

(2) Order a designated sewer system to accept administrative, technical, operational, legal, or managerial services, including full management and control of all aspects of the designated sewer system, from an administrator selected by the state board.

~~(E)~~

(3) Order a designated sewer system to accept administrative, technical, operational, legal, or managerial services from an administrator ~~appointed by the state board~~ for full oversight of construction or development ~~projects related to an annexation or extension of service;~~ *projects*, including, but not limited to, accepting loans and grants issued by the state board and entering into contracts on behalf of the designated sewer system.

~~(2) In performing its duties pursuant to paragraph (1), the state board may use criteria from the handbook adopted pursuant to subdivision (g) of Section 116686 of the Health and Safety Code.~~

~~(b)~~

(c) The state board shall do all of the following before determining that a sewer service provider is a designated sewer ~~system;~~ *system pursuant to subdivision (a).*

(1) Provide the sewer service provider with notice and an opportunity to show that the sewer service provider has taken steps to timely address its failure to ~~provide be an adequate sewer service;~~ *system or has taken steps to timely address its failure to maintain technical, managerial, and financial capacity.*

(2) (A) Conduct a public meeting in a location as close as feasible to the affected community.

(B) The state board shall make reasonable efforts to provide a 30-day notice of the public meeting to affected ratepayers, renters, and property owners.

(C) The state board shall provide representatives of the sewer service provider, affected ratepayers, renters, and property owners with an opportunity to present oral and written comments at the public meeting.

(D) The state board shall provide an opportunity for public comment at the meeting.

(3) Provide the public with an opportunity to submit comments by mail or electronically during the 30-day notice period and for at least one week after the public meeting described in paragraph (2).

(4) Consider whether designating a sewer system and ordering a designated sewer system to contract with an administrator is feasible, and not in conflict with any federal or state laws, regulations, or permit requirements.

~~(e)~~

(d) The state board shall make financial assistance available to an administrator of a designated sewer system, as appropriate and to the extent that funding is available.

(e) The state board shall not make findings that a sewer service provider has an inadequate sewer system or require a sewer service provider to contract with an administrator pursuant to this section on or after January 1, 2029. All other authorizations and requirements pursuant to this section shall remain in effect on and after January 1, 2029.

~~(d)~~

(f) The authority granted to an administrator by the state board pursuant to subdivision ~~(a)~~ (b) may include, but is not limited to, the authority to do all of the following:

(1) Expend available money for capital infrastructure improvements that the designated sewer system needs to provide adequate sewer service.

(2) Set and collect user ~~sewer rates and fees, subject to approval by the state board. The state board shall consider affordability when approving~~ sewer rates and fees. The provisions of this section are subject to all applicable constitutional requirements, including Article XIII D of the California Constitution.

(3) Expend available money for operation and maintenance costs of the designated sewer ~~system;~~ *system, including conducting feasibility or planning studies, or addressing outstanding technical or legal issues.*

~~(4) Expend available money necessary for an annexation or extension of service, including conducting feasibility or planning studies, or addressing outstanding technical or legal issues.~~

~~(e)~~

(g) The state board shall work with the administrator of a designated sewer system and the communities served by that designated sewer system to develop, within the shortest practicable time, adequate technical, managerial, and financial capacity to deliver adequate sewer service so that the services of the administrator are no longer necessary.

~~(f)~~

(h) A designated sewer system shall not be responsible for any costs associated with an administrator that are higher than the costs necessary to maintain the designated sewer system and provide adequate sewer service.

~~(g) A designated sewer system shall be responsible for funding the activities of an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to the designated sewer system. The state board shall not be responsible for providing funding for those activities.~~

~~(h)~~

(i) Before ordering a designated sewer system to accept administrative, technical, operational, legal, or managerial services from an administrator pursuant to subdivision ~~(a);~~ (b), the state board shall develop standards, terms, and procedures, to be incorporated in the handbook adopted pursuant to subdivision (g) of Section

116686 of the Health and Safety Code, consistent with the process provided in subdivision (a) of Section 116760.43 of the Health and Safety Code, for all of the following:

(1) The process and criteria for the state board to designate a sewer service provider as a designated sewer system, and the evidence required to support findings by the state board in a resolution pursuant to subdivision (a).

~~(1)~~

(2) Ensuring compliance with subdivision ~~(f)~~; (h).

~~(2)~~

(3) Providing opportunity for public comment on the selection of an administrator and the services to be provided.

~~(3)~~

(4) Providing public access to budgets, ownership and financial information, and other documents and records related to the provision of sewer service to affected residences and to the management of the designated sewer system by the administrator.

~~(4)~~

(5) Providing regular public meetings, notifications, opportunities for public comment, and other forms of engagement with customers of the designated sewer system for significant decisions or actions made on behalf of the designated sewer system, including, but not limited to, establishing operating budgets, altering sewer rates, adopting system policies, entering into long-term contracts or financing commitments, and developing system projects or plans.

~~(5)~~

(6) Formal requests to the state board to reverse or modify a decision of an administrator or to request substitution of an administrator.

~~(6)~~

(7) Ensuring an administrator acts in the best interests of the community served.

~~(7)~~

(8) Development and approval of a post-administrator sewer service plan to ensure compliance with subdivision ~~(e)~~; (g). Development of the plan shall include, but is not limited to, an evaluation of long-term public governance or community ownership options.

~~(8)~~

(j) An administrator appointed pursuant to this section for a designated sewer system shall not be liable for claims by past or current ratepayers, or by those affected by the sewer service provided by the designated sewer system, in ~~either~~ any of the following circumstances:

(1) If good faith, reasonable effort, and ordinary care were used by the administrator to assume possession of, or to operate, the sewer service provider.

(2) For any injury or damages that occurred before the commencement of the operation period.

(3) For injury, violations, or damages after the administrator has assumed control of the designated system until the necessary upgrades to the infrastructure or managerial responsibilities have been completed to become an adequate sewer system.

~~(j)~~

(k) This section does not limit or supersede any other law authorizing claims against the state board or providing a defense to liability, and shall not be construed to create any new or expanded basis for liability.

~~(k)~~

(l) Nothing in this section shall be construed to do any of the following:

(1) Relieve a sewer service provider or any other entity from complying with any provision of federal or state law, including those pertaining to water quality.

(2) Impair any cause of action by the Attorney General, a district attorney, a city attorney, or other public prosecutor, or impair any other action or proceeding brought by, or on behalf of, a regulatory agency.

(3) Impair any claim alleging the taking of property without compensation within the meaning of either the Fifth Amendment to the United States Constitution or Section 19 of Article I of the California Constitution.

(4) Relieve any person or entity from liability for action or inaction in bad faith, or without reasonable effort or ordinary care.

~~(l)~~

(m) Nothing in this section shall absolve, indemnify, or protect a prior operator, designated sewer system, or individual from liability based on an act or failure to act prior to the operation period.

~~(m)~~

(n) Administrative and managerial contracts pursuant to this section shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and may be awarded on a noncompetitive bid basis as necessary to implement the purposes of this section.

~~(n)~~

(o) This section does not apply to a charter city, charter county, or charter city and county.

~~(o) For purposes of this section, an administrator is authorized to act on behalf of an affected residence to the same extent, and in the same manner, as a designated sewer system with the consent of the affected residence.~~

SEC. 3. Section 13442 of the Water Code is amended to read:

ATTACHMENT A

13442. (a) Upon application by an eligible entity, as described in subdivision (b), the state board may approve the payment of grant moneys from the account to that entity to assist in cleaning up a waste, abating the effects of a waste on waters of the state, addressing actions required pursuant to Section 13289.5, or addressing an urgent drinking water need without regard to whether the need for drinking water is a result of the discharge of waste.

(b) An entity is eligible to apply for funding pursuant to this section if that entity has authority to undertake the activity described in subdivision (a) for which it seeks moneys and the entity is any of the following:

(1) A public agency.

(2) A tribal government that is on the California Tribal Consultation List maintained by the Native American Heritage Commission and is a disadvantaged community, as defined in Section 79505.5, that agrees to waive tribal sovereign immunity for the explicit purpose of regulation by the state board pursuant to this division.

(3) A not-for-profit organization serving a disadvantaged community, as defined in Section 79505.5.

(4) A community water system, as defined in Section 116275 of the Health and Safety Code, that serves a disadvantaged community, as defined in Section 79505.5.

(5) An administrator, as defined in Section 13288.

(c) An eligible entity shall not become liable to the state board for repayment of moneys paid to the entity under this section and expended in accordance with the state board's approval of payment, but this shall not be a defense to an action brought pursuant to subdivision (c) of Section 13304 for the recovery of moneys paid under this section.

(d) Projects using moneys that are paid to an eligible entity pursuant to this section shall be exempt from state contracting and procurement requirements set forth in the Government Code and the Public Contract Code to the extent necessary to take immediate action to protect public health and safety.

(e) The state board may adopt guidelines for the allocation and administration of these moneys that shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the State Water Resources Control Board to take appropriate action as soon as possible to ensure that adequate, sanitary sewer service is provided to communities, it is necessary for this act to take effect immediately.

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IN
SENATE
MAY 29, 2024

AMENDED
IN
ASSEMBLY
JANUARY 17, 2024

AMENDED
IN
ASSEMBLY
MARCH 16, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 817

Introduced by Assembly Member Pacheco
(Coauthor: Assembly Member Wilson)

February 13, 2023

An act to add and repeal Section 54953.05 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 817, as amended, Pacheco. Open meetings: teleconferencing: subsidiary body.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). Existing law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to provide specific means by which the public may remotely hear and visually observe the meeting.

This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. *The bill would require at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. The bill would require the local agency to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting.* In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

ATTACHED FILE(S)

Digest Key

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: ~~no~~yes

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:****SECTION 1.** Section 54953.05 is added to the Government Code, to read:

54953.05. (a) (1) The definitions in Section 54953, as that section may be amended from time to time, apply for purposes of this section.

(2) For purposes of this section, "subsidiary body" means a legislative body that meets all of the following:

(A) Is described in subdivision (b) of Section 54952.

(B) Serves exclusively in an advisory capacity.

(C) Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements.

(b) A subsidiary body may use teleconferencing without complying with paragraph (3) of subdivision (b) of Section 54953, if the subsidiary body complies with all of the following:

(1) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the subsidiary body.

(2) Each member of the subsidiary body shall participate through both audio and visual technology.

(3) The subsidiary body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the subsidiary body:

(A) A two-way audiovisual platform.

(B) A two-way telephonic service and a live webcasting of the meeting.

(4) The subsidiary body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(5) The subsidiary body shall designate a primary physical meeting location where members of the public may physically attend, observe, hear, and participate in the meeting. At least one staff member of the local agency shall be present at the primary physical meeting location during the meeting. The local agency shall post the agenda at the primary physical meeting location, but need not post the agenda at a remote location.

~~(5)~~

(6) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the subsidiary body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

~~(6)~~

(7) The agenda shall identify and include an opportunity for all persons to attend and address the subsidiary body directly pursuant to Section 54954.3 via a call-in option or via an internet-based service option.

~~(7)~~

(8) In the event of a disruption that prevents the subsidiary body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the subsidiary body's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the subsidiary body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the subsidiary body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

~~(8)~~

(9) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the subsidiary body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(10) The members of the subsidiary body shall visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform.

(A) The visual appearance of a member of the subsidiary body on camera may cease only when the appearance would be technologically impracticable, including, but not limited to, when the member experiences a lack of reliable broadband or internet connectivity that would be remedied by joining without video, or when the visual display of meeting materials, information, or speakers on the internet or other online platform requires the visual appearance of a member of a subsidiary body on camera to cease.

(B) If a member of the advisory body does not appear on camera due to challenges with internet connectivity, the member shall announce the reason for their nonappearance when they turn off their camera.

~~(9)~~

(11) The subsidiary body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the subsidiary body and offer comment in real time.

(A) A subsidiary body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph ~~(9)~~; (9), to provide public comment until that timed public comment period has elapsed.

ATTACHED TO THE END OF A

(B) A subsidiary body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to paragraph ~~(8); (9)~~, or otherwise be recognized for the purpose of providing public comment.

(C) A subsidiary body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to paragraph ~~(8); (9)~~, until the timed general public comment period has elapsed.

(12) A member of the subsidiary body who participates in a teleconference meeting from a remote location shall be listed in the minutes of the meeting.

(c) In order to use teleconferencing pursuant to this section, the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action shall make the following findings by majority vote before the subsidiary body uses teleconferencing pursuant to this section for the first time, and every 12 months thereafter:

- (1) The legislative body has considered the circumstances of the subsidiary body.
- (2) Teleconference meetings of the subsidiary body would enhance public access to meetings of the subsidiary body.
- (3) Teleconference meetings of the subsidiary body would promote the attraction, retention, and diversity of subsidiary body members.

(d) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 54953.05 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which adds Section 54953.05 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to provide opportunities for public participation in meetings of specified public agencies and to promote the attraction and retention of members of those agencies.

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CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 2302

Introduced by Assembly Member Addis
(Coauthor: Senator Laird)

February 12, 2024

An act to amend Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as introduced, Addis. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The bill, for the purpose of counting meetings attended by teleconference, would define a "meeting" as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

SECTION 1. Section 54953 of the Government Code, as amended by Section 1 of Chapter 534 of the Statutes of 2023, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

ATTACHED TO THE END OF A

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

- (i) A two-way audiovisual platform.
- (ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for ~~a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.~~ *more than the following number of meetings, as applicable:*

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54953 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for remote participation by a member of a legislative body in teleconference meetings.

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IN
ASSEMBLY
APRIL 24, 2024

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 2715

Introduced by Assembly Member Boerner

February 14, 2024

An act to amend Section 54957 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2715, as amended, Boerner. Ralph M. Brown Act: closed sessions.

Existing law, the Ralph M. Brown Act, generally requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Existing law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services, as specified.

This bill would additionally authorize a legislative body to hold a closed session to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session, with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54957 of the Government Code is amended to read:

54957. (a) (1) This chapter does not prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or their respective deputies, or other law enforcement or security personnel, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, or a threat to the public's right of access to public services or public facilities, facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

(2) For purposes of this subdivision, the following definitions apply:

(A) "Critical infrastructure controls" means networks and systems controlling assets so vital to the local agency that the incapacity or destruction of those networks, systems, or assets would have a debilitating impact on public health, safety, economic security, or any combination thereof.

(B) "Critical infrastructure information" means information not customarily in the public domain pertaining to any of the following:

(i) Actual, potential, or threatened interference with, or an attack on, compromise of, or incapacitation of critical infrastructure controls by either physical or computer-based attack or other similar conduct, including, but not limited to, the misuse of, or unauthorized access to, all types of communications and data transmission systems, that violates federal, state, or local law or harms public health, safety, or economic security, or any combination thereof.

ATTACHMENT 5

(ii) The ability of critical infrastructure controls to resist any interference, compromise, or incapacitation, including, but not limited to, any planned or past assessment or estimate of the vulnerability of critical infrastructure.

(iii) Any planned or past operational problem or solution regarding critical infrastructure controls, including, but not limited to, repair, recovery, reconstruction, insurance, or continuity, to the extent it is related to interference, compromise, or incapacitation of critical infrastructure controls.

~~(b) This chapter does not prevent the legislative body of a local agency from holding closed sessions to consider or evaluate matters related to cybersecurity, including vulnerabilities of, or potential or ongoing threats to, an agency's cybersecurity provided that any action taken by the legislative body on those matters is done in open session.~~

(c)

(1) Subject to paragraph (2), this chapter does not prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54957 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By authorizing closed sessions of legislative bodies relating to cybersecurity, this bill allows a legislative body to receive, confidentially discuss, and learn about cybersecurity risks, vulnerabilities, and threats facing the agency, thereby enabling the legislative body to make fully informed cybersecurity-related decisions in open session. The bill protects information and deliberations related to an agency's cybersecurity in order to protect against current or future cybersecurity attacks on the agency that can damage public facilities and services.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which amends Section 54957 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

By authorizing closed sessions of legislative bodies relating to cybersecurity, this bill allows a legislative body to receive, confidentially discuss, and learn about cybersecurity risks, vulnerabilities, and threats facing the agency, thereby enabling the legislative body to make fully informed cybersecurity-related decisions in open session. The bill protects information and deliberations related to an agency's cybersecurity in order to protect against current or future cybersecurity attacks on the agency that can damage public facilities and services.

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IN
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SEPTEMBER 05, 2023

AMENDED
IN
ASSEMBLY
AUGUST 14, 2023

AMENDED
IN
SENATE
APRIL 24, 2023

AMENDED
IN
SENATE
MARCH 22, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

SENATE BILL

NO. 537

Introduced by Senator Becker

February 14, 2023

An act to amend Section 54953 of, and to add and repeal Section 54953.4 of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 537, as amended, Becker. Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely.

This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction. The bill would require a member who receives compensation for their service, as specified, on the legislative body to participate from a physical location that is open to the public. The bill would require the legislative body to identify in the agenda each member who plans to participate remotely and to include the address of the publicly accessible building from which each member will participate via teleconference. The bill would prohibit a member from participating remotely pursuant to these provisions unless

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the remote location is the member's office or another location in a publicly accessible building and is more than 40 miles from the in-person location of the meeting. The bill would repeal these alternative teleconferencing provisions on January 1, 2026.

This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 557 to be operative only if this bill and AB 557 are enacted and this bill is enacted last.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would declare that it is to take effect immediately as an urgency statute.

Digest Key

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54953 of the Government Code, as amended by Section 1 of Chapter 285 of the Statutes of 2022, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis

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or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 1.5. *Section 54953 of the Government Code, as amended by Section 1 of Chapter 285 of the Statutes of 2022, is amended to read:*

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

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(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in ~~any~~ *either* of the following circumstances:

~~(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.~~

~~(B)~~

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

~~(C)~~

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph ~~(B)~~; (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph ~~(F)~~; (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph ~~(F)~~; (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph ~~(F)~~; (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, ~~or state or local officials have imposed or recommended measures to promote social distancing~~, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than ~~30~~ 45 days after teleconferencing for the first time pursuant to subparagraph ~~(A)~~; ~~(B)~~, or ~~(C)~~ (A) or (B) of paragraph (1), and every ~~30~~ 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

~~(B) Any of the following circumstances exist:~~

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(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

~~(ii) State or local officials continue to impose or recommend measures to promote social distancing.~~

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing ~~members of~~ the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

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- (B) A contagious illness that prevents a member from attending in person.
- (C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).
- (D) Travel while on official business of the legislative body or another state or local agency.
- (E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.*

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, ~~2024~~, 2026, and as of that date is repealed.

SEC. 2. Section 54953 of the Government Code, as amended by Section 2 of Chapter 285 of the Statutes of 2022, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

- (A) All votes taken during a teleconferenced meeting shall be by rollcall.
- (B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.
- (C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.
- (D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

- (i) A two-way audiovisual platform.
- (ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).

(D) Travel while on official business of the legislative body or another state or local agency.

(E) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(j) This section shall become operative January 1, 2024, shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2.5. *Section 54953 of the Government Code, as amended by Section 2 of Chapter 285 of the Statutes of 2022, is amended to read:*

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in ~~subdivision (d): subdivisions (d) and (e).~~

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with *the requirements of* paragraph (3) of subdivision (b) ~~if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following: if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:~~

(A) The legislative body ~~shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:~~ *holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.*

~~(i) A two-way audiovisual platform;~~

~~(ii) A two-way telephonic service and a live webcasting of the meeting;~~

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

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~~(B)~~

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. *The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.*

~~(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.~~

~~(D)~~

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

~~(E)~~

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

~~(F)~~

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

~~(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:~~

~~(A) One of the following circumstances applies:~~

~~(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.~~

~~(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 4 (commencing with Section 56) of Part 2.6 of Division 4 of the Civil Code). For the purposes of this clause, the following requirements apply:~~

~~(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.~~

~~(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.~~

~~(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.~~

~~(C) The member shall participate through both audio and visual technology.~~

~~(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.~~

~~(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.~~

~~(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.~~

~~(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.~~

~~(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:~~

~~(A) The legislative body has reconsidered the circumstances of the state of emergency.~~

~~(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.~~

~~(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.~~

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws. **ATFAC ITEM # 66**

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing ~~members of~~ the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

~~(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.~~

~~(2) "Just cause" means any of the following:~~

~~(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.~~

~~(B) A contagious illness that prevents a member from attending in person.~~

~~(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).~~

~~(D) Travel while on official business of the legislative body or another state or local agency.~~

~~(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.~~

~~(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.~~

~~(1) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).~~

~~(5)~~

(2) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

~~(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.~~

~~(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.~~

~~(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.~~

(j) This section shall become operative January 1, 2024, shall remain in effect only until January 1, 2026, and as of that date is repealed: 2026.

SEC. 3. Section 54953.4 is added to the Government Code, to read:

54953.4. (a) For purposes of this section, the following definitions apply:

(1) "Eligible legislative body" means a board, commission, or advisory body of a multijurisdictional, cross-county agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to this chapter.

(2) "Multijurisdictional" means a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1.

(b) An eligible legislative body may use teleconferencing without complying with paragraph (3) of subdivision (b) of Section 54953 if the legislative body complies with this section.

(c) An eligible legislative body shall not use teleconferencing pursuant to this section unless the eligible legislative body has adopted a resolution that authorizes the eligible legislative body to use teleconferencing at a regular meeting in open session.

(d) An eligible legislative body that holds a meeting pursuant to this section shall comply with all of the following:

(1) In each notice and posting of the time or agenda of the teleconferenced meeting, the eligible legislative body shall include the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(2) In the event of a disruption that prevents the eligible legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the eligible legislative body's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the eligible legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the eligible legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(3) The eligible legislative body shall not require public comments to be submitted in advance of the meeting and shall provide an opportunity for the public to address the legislative body and offer comment in real time.

(4) (A) If an eligible legislative body provides a timed public comment period for each agenda item, the eligible legislative body shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subdivision (f), to provide public comment until that timed public comment period has elapsed.

(B) If an eligible legislative body does not provide a timed public comment period, but takes public comment separately on each agenda item, the eligible legislative body shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subdivision (f).

(C) If an eligible legislative body provides a timed general public comment period that does not correspond to a specific agenda item, the eligible legislative body shall not close the public comment period or the opportunity to register, pursuant to subdivision (f), until the timed general public comment period has elapsed.

(5) Except as provided in Section 54953.3, an eligible legislative body, within ~~seven~~ 10 days of holding a teleconference meeting, shall provide ~~both~~ all of the following on its internet website:

(A) A record of attendance of ~~both community members and the~~ members of the eligible legislative body.

(B) (i) The number of community members in attendance in the teleconference meeting.

(ii) The number of community members in attendance at the physical location of the public meeting may be provided in addition to the requirement specified in clause (i).

~~(B)~~

(C) The number of public comments in the meeting.

(6) (A) At least a quorum of the members of the eligible legislative body shall participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

(B) Any member of the eligible legislative body who receives compensation for their service on the eligible legislative body shall participate from a physical location that is open to the public. For purposes of this subparagraph, "compensation" does not include reimbursement for traveling or other actual and necessary expenses incurred in connection with participating in person.

(C) The eligible legislative body shall identify each member of the eligible legislative body who plans to participate remotely in the agenda and shall include the address of the publicly accessible building from where they will participate via teleconference. The specific room or location within the publicly accessible building from which a member participates via teleconference is not required to be publicly accessible.

(7) The eligible legislative body shall provide a physical location from which the public may attend or comment.

(8) The eligible legislative body shall comply with all requirements of Section 54953 except paragraph (3) of subdivision (b) of that section.

(e) A member of the eligible legislative body shall not participate in a meeting remotely pursuant to this section unless they meet both of the following requirements:

(1) The location from which the member participates is more than 40 miles from the in-person location of the meeting.

(2) The member participates from their office or another location in a publicly accessible building.

(f) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of a third-party internet website or other online platform during a meeting held pursuant to this section may be required to register to log in to the teleconference if both of the following conditions are met:

(1) The internet website or online platform requires that registration.

(2) The decision to require registration is not under the control of the legislative body.

(g) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 4. The Legislature finds and declares that Sections 1, 2, and 3 of this act, which amend Section 54953 of, and add Section 54953.4 to, the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

Permitting remote participation for just cause due to a member's immunocompromised family member, as well as extending the operation of teleconferencing for legislative bodies of multijurisdictional, cross-county agencies with appointed membership, will further increase public participation, increase the pool of people who are able to serve on these bodies, including those that would otherwise have to travel long distances to attend meetings in person, and protect the health and safety of the public.

SEC. 5. *Sections 1.5 and 2.5 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 557. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2024, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 557, in which case Section 54953 of the Government Code, as amended by Sections 1 and 2 of this bill, shall remain operative only until the operative date of Assembly Bill 557, at which time Sections 1.5 and 2.5 of this bill shall become operative.*

SEC. 5-SEC. 6. The Legislature finds and declares that Sections 1, 2, and 3 of this act, which amend Section 54953 of, and add Section 54953.4 to, the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Permitting remote participation for just cause due to a member's immunocompromised family member, as well as extending the operation of teleconferencing for legislative bodies of multijurisdictional, cross-county agencies with appointed membership, will further increase public participation, increase the pool of people who are able to serve on these bodies, including those that would otherwise have to travel long distances to attend meetings in person, and protect the health and safety of the public.

SEC. 6-SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Virtual meetings have allowed much easier access to appointed bodies of local agencies with far more members of the public participating in each meeting. This has created greater equity in the process and fostered the health of our democracy. In-person meetings may jeopardize the health and safety of vulnerable citizens due to ongoing risks of illnesses.

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LEGISLATIVE COMMITTEE MEETING STAFF REPORT

Agenda Item No. 5 Resume Tabled Discussion Regarding 56133 Proposal

Meeting Date: June 14, 2024

Prepared By: René LaRoche, Chair

RECOMMENDATIONS

Resume the discussion regarding the 56133 legislative proposal (2019), that was tabled at the May 10, 2024, meeting of the Legislative Committee and consider strategy.

BACKGROUND

At the February 16, 2024 Legislative Committee meeting, an update was provided on the 56133 legislative proposal. Discussions with the Assembly and Senate Consultants and the CALAFCO lobbyist were recounted in which all three had indicated that the proposal would be viewed as an expansion of LAFCO authority, which significantly reduces the chance of success or even procuring an author.

Discussions with the submitter of the proposal were also reported upon, along with research undertaken to determine the legislative intent, as contained within the legislative record, for GC 56133. In reporting on the research, it was noted that the author's statement, and other legislative documents, supported the information received from the legislative consultants and lobbyist. Given the increased effort and cost needed to move a bill perceived as expanding LAFCO authority, and the reduced likelihood of success, the committee was also advised that the matter would need to be rescheduled before the Board of Directors for further consideration.

Upon hearing of the research and the memo documenting it, multiple requests for copies were received from committee members. Consequently, the discussion was tabled to allow the memo to be distributed and reviewed. That confidential memo was distributed separately to the committee members on February 29, 2024, and the discussion was reopened on March 22, 2024.

Given the author's comments contained in the legislative history, and given the lack of statewide data or an unbiased report from an outside entity like the Little Hoover Commission to support a bill request, the question was posed as to whether an alternate course of action, such as a notification provision, might suffice. In response to the Committee's request for some written language, Steve Lucas volunteered to prepare a sample. The discussion was continued to the May 10th meeting when the committee considered the sample notification language.

During the May 10th discussion, concerns were raised by some that such a provision could conflict with existing policies and procedures, and that if the initial requested change could not be pursued then the matter should be left to local policies. Discussion also ensued regarding the legal presumptions that a notification provision could fuel. After more discussion about the various working policies currently in place, the committee requested the collection of samples to further inform their consideration, and the topic was tabled to the next legislative committee meeting. A

request for local policies was sent out to the EOs on May 20, 2024, and the responses that were received are attached to this item, which allows continuation of this discussion.

Additionally, because the committee has some new members this year, earlier resources on the topic have also been attached for reference and include the 2022 White Paper that was prepared on the issue, and responses to a 2023 survey of the EOs.

The committee is now being asked to continue it's consideration of the issue.

ATTACHMENTS

- 5. A. Local Policies and Responses
- 5. B. Alternate 56133 Legislative proposal (Notification)
- 5. C. Original 56133 Legislative proposal – 2019.
- 5. D. White Paper (2022): Planning for a Sustainable and Predictable Future: Clarifying LAFCO Authority to Determine Government Code Section 56133(e) Exemption Eligibility
- 5. E. EO Responses to 56133 Survey (2023)

This worksheet outlines the statute, policy, and procedure to request extension of service(s). Once you have reviewed this worksheet, you are encouraged to consult with LAFCo staff prior to submitting an application.

1. Authority

Government Code (GC) sec. 56133(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

By Resolution No. 127, the Fresno LAFCo delegated to the executive officer the authority to approve, or conditionally approve, proposals to extend services outside jurisdictional boundaries.

2. Applicant

It is strongly recommended that the local agency that will provide the service(s) be the applicant, not the subject property owner. A local agency's agreement to serve the subject property is a necessary part of the application and will carry great weight with the executive officer's analysis of the application. LAFCo staff encourages property owners to work through the affected local agency:

GC 56017.2 (c). "Application" means: A request by a city or district for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56133. (emphasis added)

3. Information needed from a local agency for authorization to extend service(s)¹

- Completed application (only the first page of the LAFCo master application is necessary for extension of service requests);
- Nature of the request;
- Location of proposed recipient(s), address, APN, and total acreage of the affected property(ies);
- Maps depicting:
 - 1) subject property.
 - 2) all public improvements needed to fulfill the proposed extension,
 - 3) city limit/district boundary. and
 - 4) affected local agency's sphere of influence (SOI);

¹ Note: An extension of service may be exempt from GC sec. 56133; see "Important exemption in the statute" later in this worksheet. If the extension is exempt the executive officer will communicate this in writing and fee will be returned.

- A draft copy of the proposed agreement or contract between local agency and owners of the affected properties;
- A local agency contact;
- Known alternate providers of the type of service to be extended; and
- Fee per Fresno LAFCo policy 350-10.

4. Process

Extension of service requests are not changes of organization pursuant to GC 56021 and are not publicly noticed pursuant to GC 56658(b)(1); rather, the process is administrative in nature with typical notice of action given only to the subject local agency, the party requesting service, Fresno County Public Works and Planning, County Auditor/Controller, and County Assessor.

Within 30 days of receipt of an application for approval by a city or district of a contract to extend services outside its jurisdictional boundary, the executive officer shall determine whether the request is complete and acceptable for filing or whether the request is incomplete.

If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant, specifying those parts of the request that are incomplete and the manner in which they can be made complete.

When the request is deemed complete, the executive officer shall, not more than 90 days from the date that the request is deemed complete, approve, disapprove, or approve with conditions the contract for extended services.

The executive officer may forward a copy of the application to the Fresno County Department of Public Works and Planning for review, comment, and recommended conditions of approval including necessity for encroachment permits, utility easements, and so forth.

If the executive officer has denied a request for extension of service, the local agency or an affected party may request that the executive officer's action be reconsidered by the commission within 30 days of executive officer action per GC sec. 56895.

There are essentially two thresholds to consider: is the service to be extended to property(ies) inside or outside of a SOI. If the subject property is **inside of the affected agency's SOI**:

GC 56133 (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

In comparison, service to property(ies) **outside of the affected agency's SOI** is a substantially higher threshold:

GC 56133 (c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

Regarding (1), above, in the event that the requested extension is outside a SOI, as soon as possible, the local agency should contact Fresno County Department of Public Health, Environmental Health Division at (559) 600-3271 for a finding of an existing or impending threat to the public health or safety.

Regarding (2) above, Public Utilities Code sec. 241 identifies a "Water corporation" as including every corporation or person owning, controlling, operating, or managing any water system for compensation within this State. Maps and statements on file with the commission are:

- Columbia Canal Company
- Shaver Lake Point One Mutual Water Company
- Shaver Lake Point Two Mutual Water Company
- Bakman Water Company

5. Important exemption in the statute

GC sec. 56133 (e) This section does not apply to contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that

serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section does not apply to an extended service that a city or district was providing on or before January 1, 2001. This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

6. Typical conditions of approval

LAFCo resolution authorizing extension of service pursuant to GC 56133 typically includes the following condition of approval:

The record owner of title to each property shall record a covenant, in a form acceptable to the (service provider), stating that the record owner, and all subsequent owners of the subject property, shall not protest the future annexation of the subject property if such annexations are not subject to conditions, excluding the facts pertaining to the annexation itself or the extension of service, which might materially prejudice those holding an interest in the real property.

Other conditions of approval may be added to reflect circumstances unique to the application.

7. Distribution of resolution

Upon expiration of the reconsideration period, the executive officer will distribute the resolution authorizing extension of service to the

- local agency providing the extended service,
- owner of the affected property,
- Fresno County Department of Public Works and Planning, and
- Fresno County Auditor-Controller/Treasurer-Tax Collector.

The executive officer shall provide a summary report of the resolution to the Commission at the next available meeting.

MARIN LAFCO – 56133(e) Policy

4.9 OUTSIDE SERVICE AGREEMENT POLICY (NON-FIRE)

As specified in Government Code §56133, cities, towns, and special districts seeking to provide new or extended services other than fire protection to areas outside their jurisdictions by contracts or agreements after January 1, 2001 shall apply to Marin LAFCo for approval. Marin LAFCo may approve requests under this section for new or extended services by contract or agreement within the applying agency's sphere of influence only in anticipation of eventual annexation. Approval may also be granted for such requests involving areas outside the applying agency's sphere of influence to respond to an existing or impending threat to the public health or safety of the public or the affected residents of the territory. Specific exemptions to this requirement for Marin LAFCo approval are found under Government Code §56133(e).

4.9 (A) Definitions

Marin LAFCo incorporates the following definitions in administering these policies concerning outside services under Government Code §56133:

4.9 (A)(i) "Service" shall mean any municipal service supporting (directly or indirectly) urban type uses with the referenced exclusion of fire protection.

4.9 (A)(ii) "New" shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land.

4.9 (A)(iii) "Extended" shall mean the intensification use of a municipal service provided by a city, town, or special district to non-jurisdictional land that is directly tied to a redesignation and/or rezoning of the affected territory by the appropriate land use authority.

4.9 (B) Applicability Determination

Agencies may request a no-cost written response from Marin LAFCo as to whether any potential new or extended outside service contract or agreement qualifies as an exempted action under Government Code §56133(e). The Commission delegates to the Executive Officer the responsibility to determine this applicability. If the inquiry is determined to be not exempt, the jurisdiction should proceed with submitting a formal approval request with the Commission consistent with these policies.

4.9 (C) Submitting a Formal Approval Request

Requests shall be made only by the affected agency and through their appointed director/manager and filed with the Executive Officer. Joint requests by two or more affected agencies are permitted. Requests shall be made in letter form and shall include all of the following information:

4.9 (C)(i) A list of all addresses and/or parcel numbers comprising the subject territory along with the accompanying zoning assignments made by the applicable land use authority;

4.9 (C)(ii) A description of how the applying agency would provide the proposed new or extend service to the subject territory. This includes any infrastructure or facility

improvements and associated funding requirements necessary to provide service to the subject territory; and

4.9 (C)(iii) Any information or associated findings made pursuant to the California Environmental Quality Act.

4.9 (D) Request Review

The Executive Officer will provide the jurisdiction a written response within 30 days; if incomplete, the Executive Officer will identify the information needed to deem it complete. Once a request is deemed complete, the Executive Officer shall prepare a written report with a recommendation for consideration by the Commission including the following three factors:

4.9 (D)(i) The ability of the applying agency to provide the requested service to the subject territory and potential impact on existing service levels;

4.9 (D)(ii) The effect on urban growth and development within and adjacent to the subject territory should the request be approved; and

4.9 (D)(iii) The consistency of the request with the Commission's adopted policies.

4.9 (E) Public Hearing

The Executive Officer shall present the written report at the next earliest regular meeting for which adequate notice can be provided, and no further than 90 days from the date the request has been deemed complete. Requests involving service extensions beyond the applying agency's sphere of influence shall be noticed under Government Code §56153 and 56154 and considered as part of public hearings.

4.9 (F) Commission Action

Marin LAFCo may approve requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section with or without conditions.

4.9 (G) Reconsideration

Should Marin LAFCo disapprove requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section the affected agency may ask for reconsideration within 30 days of the Commission action under Government Code §56895.

4.9 (H) Health & Safety Emergency Approval

Marin LAFCo authorizes the Executive Officer to approve a city, town, or special district's request to provide new or extended services outside their jurisdictional boundaries under this section if there is an existing or impending public health or safety emergency. Marin LAFCo shall ratify the Executive Officer's determination at the next regular scheduled meeting.

Mendocino LAFCo Policy Amendment

12.2 OUTSIDE AGENCY SERVICES

12.2.1 COMMISSION APPROVAL REQUIRED

A city or district, individually or as a member agency of a joint powers authority (JPA), shall not provide new or extended services to any party or property outside its jurisdictional boundaries unless it has obtained written approval from LAFCo, consistent with the CKH Act (G.C. §56133) and the policies described herein.

LAFCo prefers that this type of application be made by the local agency; however, if the city or district has declined to serve as the applicant, the affected landowner(s) may submit the application based on current (e.g. within 3 months) written proof from the local agency confirming both willingness and capacity to serve (e.g. will serve letter) the affected territory.

12.2.2 REQUIREMENT FOR EXEMPTIONS TO COMMISSION APPROVAL

Commission approval may not be required for cities or special districts to provide new or extended services outside their jurisdictional boundaries in accordance with the provisions of G.C. §56133(e).

Agency self-exemption under G.C. §56133(e) is not recommended due to the complexity involved and the potential for a difficult and/or costly process to unwind unauthorized services. Outside agency services may be allowed to address unique circumstances and are not intended to circumvent the LAFCo process by providing services by contract instead of through the annexation of territory. Agency self-determinations of exemption can lead to a communication breakdown and can prevent LAFCo from effectively fulfilling its mandates, such as conducting meaningful studies.

LAFCo strongly encourages advance notice and coordination with agencies in determining whether specific situations are exempted by G.C. §56133(e) to support LAFCo in efficiently performing its functions and to support agencies in providing valid outside agency services.

For outside agency services that a city or district was providing on or before January 1, 2001 under G.C. §56133(e)(4), LAFCo encourages the city or district to request an Annexation Consent Agreement from each landowner, unless it is not logical and orderly for the city or district to ever annex the subject property or area.

12.2.3 DEFINITIONS

Services – any municipal services provided by a city or special district.

Outside Agency Services – municipal services provided outside the jurisdictional boundary of a local government agency (city or special district) by contract or agreement.

New – the provision of municipal services to a previously unserved property or use.

Extended – the expansion or intensification of municipal services currently provided to a property or use.

In anticipation of a later change of organization – a reliable commitment from the serving agency and/or landowner(s) that outside agency services will become inside agency services within a near-term timeframe or based on a foreseeable event or change in circumstance.

An existing threat to health or safety – the non-functioning or failure of existing private utilities (e.g. on-site septic system or well), which cannot be readily remedied, and have resulted in a health hazard from inadequately treated wastewater or the loss of access to safe and reliable drinking water. The lack of fire protection and/or emergency medical services to existing development may also qualify as an existing safety threat.

An impending threat to health or safety – the stage before an existing threat to health or safety in which there is a known and measurable high risk that will result in a threat to health or safety (e.g. within 6 months).

12.2.4 NEW OR EXTENDED SERVICES

Annexation to cities and special districts involving territory located within the affected agency's sphere of influence (SOI) is preferred to providing outside agency services by contract or agreement, in support of logical and orderly growth and development. The Commission recognizes, however, that there may be special circumstances that justify approval of outside agency services by contract or agreement prior to annexation.

Such special circumstances most frequently involve the need for municipal services to address an existing threat to health or safety. A properly documented threat to health or safety for consideration in those cases is strongly encouraged, regardless of whether located within or outside the agency's SOI.

In reviewing requests for outside agency services, LAFCo will apply the same general substantive policies as for annexation proposals. The following will be addressed in the Executive Officer's written report:

- 1) The ability of the agency to provide the subject service(s) to the affected territory, without detracting from current service levels.
- 2) Documentation with substantial evidence to support a finding by the Commission of an existing or impending threat to the health or safety of the public or the affected residents.
- 3) Consistency with the policies and general plans of all affected local agencies.
- 4) Effect on growth and development within and adjacent to the affected territory.
- 5) Potential impacts on prime agricultural or open space lands.
- 6) Consistency with the Commission's adopted municipal service review determinations and recommendations.
- 7) The applicant's statement, with specificity, of the nature and timing of the anticipated later change of organization for the affected territory.

12.2.4.1 Within SOI

The Commission strongly discourages the use of outside agency services for the purpose of providing municipal services to new development, which can result in unintended consequences, such as inducing

growth or resulting in the premature conversion of agricultural or open space lands to urban use. The Commission will approve such requests only under extraordinary circumstances and will apply strict limitations on such services.

G.C. §56133(b) authorizes the Commission to approve outside agency services “in anticipation of a later change of organization”. The standard condition for landowners to record a LAFCo Annexation Consent Agreement may not necessarily satisfy the qualification for an anticipated later change of organization. Further, the inclusion of the land to be served within the SOI of the serving agency also may not be sufficient because the SOI boundary can change over time, and placing territory within a sphere does not guarantee that annexation will occur (Policy 10.1.8). The Commission may include a condition to address this component of the CKH Act, such as requiring that an annexation application be submitted prior to, or within a specified timeframe (e.g. 1-2 years) of, the outside agency services approval.

Any outside agency services approved by the Commission prior to the date this policy is approved by the Commission shall not be subject to this policy, but the policy in effect at the time said application is approved by the Commission.

12.2.4.2 Outside SOI

The Commission recognizes the importance of promptly addressing threats to public health and safety, especially in considering outside agency services related to water and sewer services.

The Commission shall authorize a city or special district’s request to provide new or extended services outside their jurisdictional boundary and outside their SOI only in response to an existing or impending threat to the health or safety of the public or affected residents in accordance with G.C. §56133(c).

For water and sewer services, the affected agency and/or landowner(s) shall provide the Commission with documentation consistent with the public health and safety criteria for water and sewer services below.

An existing on-site sewage disposal system may be deemed a threat to the health and safety of the public or the affected residents if it meets one or more of the following criteria, as determined by Mendocino County Environmental Health or another qualified professional:

- i. There is ponding or accumulation of wastewater or septic tank effluent at or above the surface of the ground.
- ii. There is a lack of an unsaturated vertical soil separation between the bottom of a disposal field and seasonal high groundwater.
- iii. There is a failure of the disposal field or septic tank to accept, treat, and dispose of wastewater in quantities discharged by the structure served, and additional capacity cannot adequately or reasonably be developed.
- iv. Any other condition associated with the operation or use of an on-site sewage system that could permit the exposure, either directly or indirectly, of individuals or domestic animals to inadequately treated wastewater.

An existing water source used for domestic purposes may be deemed a threat to the health and safety of the public or the affected residents if it meets one or more of the following criteria, as determined by Mendocino County Environmental Health or another qualified professional:

- i. The water supply is impacted by biological, chemical, or radiological constituents that cannot be adequately or reasonably treated or removed to levels deemed safe for human consumption or contact.
- ii. The quantity of the water supply is constantly or periodically inadequate (less than one gallon per minute) to meet the domestic needs for which its use is intended, and additional quantities cannot adequately or reasonably be developed.
- iii. Any other condition in which the continued use of an existing water supply could result in negative impacts to human health.

12.2.5 ADMINISTRATIVE APPROVAL UNDER URGENT CIRCUMSTANCES

The Commission authorizes the Executive Officer, in accordance with G.C. §56133(d), to administratively approve a city or special district's request for new or extended outside agency services by contract or agreement if there is an existing and urgent public health or safety emergency as identified in writing from the local public health officer and/or environmental health director, or in the case of fire services, the applicable Fire Chief. The Commission shall ratify the Executive Officer's determination at the next regularly scheduled meeting.

12.2.6 CONDITIONS OF APPROVAL

12.2.6.1 Annexation Consent Agreement

The Commission will condition the approval of all outside agency services upon a requirement that the landowner(s) sign a LAFCo agreement consenting to annexation of the territory to the public service provider, which agreement shall bind current and future owners and registered voters of the property. The standard agreement shall be prepared by LAFCo legal counsel and provided to all landowners for execution and recording. Proof of recordation of the Annexation Consent Agreement will be required before the LAFCo outside agency services approval becomes final and effective.

12.2.6.2 Expiration of LAFCo Approval

Unless specified otherwise in the Commission's resolution approving a particular outside agency services application, the Commission's approval of outside agency services shall expire within one year of approval unless the agency-landowner contract has been executed and the construction of any needed infrastructure improvements has commenced. A one-time extension may be requested by the applicant, prior to the one-year expiration date, for a period of time that is necessary to complete the Commission's conditions. If the provision of outside agency services has not commenced within three years of the Commission's approval, the approval is terminated and a new application is required.

12.2.6.3 Further LAFCo Review - Expansion or Intensification of Services

The Commission's approval of outside agency services shall be limited to the existing structures and uses on the subject property, and not to any other properties. Any significant expansion or intensification of the approved services (e.g. upsize the connection for a subdivision or major conversion of use type) shall be considered a new request, subject to LAFCo review.

12.2.7 Temporary Water Hauling During a Local Emergency

During a city, county, or state issued drought emergency proclamation affecting potable water supply, a city or special district may provide potable water outside its jurisdictional boundaries through water

hauling on a temporary basis to address impacts to health and safety arising from dry wells or other temporary limitations on regular water supply. In these situations, LAFCo approval will not be required pursuant to G. C. §56133 due to the temporary and emergency nature of the service.

While LAFCo approval will not be required during the temporary emergency, LAFCo does require notice of and data reporting for the temporary outside agency water service to support LAFCo in efficiently performing its functions. The city/district providing the potable water service should notify LAFCo within 30 days of commencing such service, as feasible under emergency conditions. Notification should include the address and/or assessor's parcel number (APN) for each property receiving water service and reference the emergency proclamation. The city or special district shall cease providing temporary water service outside jurisdictional boundaries within 30 days of termination of the emergency proclamation. Within 90 days of the end of the emergency, the city/district providing the potable water service should provide LAFCo a detailed summary of how much water was provided to each property per month during the emergency water hauling.

Absent a city, county, or state issued emergency proclamation, G. C. §56133 specifies that a city or special district must apply for and obtain LAFCo approval before providing new or extended services outside its jurisdictional boundaries, including potable water hauling.

DRAFT

- b) The detaching agency is legally authorized to and agrees to assume the cost and spread it over the remaining property within the agency.

E. EXTENSION OF SERVICES BY CONTRACT

This section applies only to contracts to extend services beyond a local agency's jurisdictional boundaries as provided by Section 56133 of the Government Code.

1. General Standards.

a) Applicable Policies

When considering requests to extend services by contract beyond an agency's jurisdiction boundaries, LAFCo will apply the same general substantive policies as for annexation requests. In addition, the application must be made in anticipation of annexation. As used in this section, the term "in anticipation of annexation" means that the area is within the current sphere horizon of the agency.

b) Subsequent Annexation Application Required

For all contract service extensions, the requesting agency must either:

- i) File a concurrent application with LAFCo for annexation of the property, or
- ii) Carry out both of the following:
 - Place a condition in its contract with the property owner requiring submission of an annexation application within a period not to exceed two years; and
 - Record a notice against title to the property specifying that in the event the agency does not initiate annexation, the property owner must make application to LAFCo for annexation of the territory within two years of LAFCo's approval of the request.

2. Review of Contracts. The LAFCo Executive Officer will conduct periodic reviews of contracts established since January 1, 1993, for compliance with the requirements of this section.

3. Unapproved Contracts Null and Void. If an agency enters into a contract without LAFCo approval, the contract shall be null and void. If the Executive Officer receives notice of a violation of these provisions, he or she shall place the item on the Commission's agenda for consideration of appropriate action.

4. Administrative Approvals. In a case which conforms to the standards set forth in this Section IV-E and also involves an imminent peril to public health and safety, applicants may submit an abbreviated application, along with the applicable deposit as specified in the LAFCo fee schedule, to be considered for temporary administrative approval by the Executive Officer. The Executive Officer shall present the matter to the Commission at the next available meeting for final consideration.

Policy and Procedures for the Review and/or Processing of Out-Of-Area Service Agreements by the Executive Officer

I. PURPOSE

To establish the Commission's policy and procedural guidelines for 1) consulting with public agencies to determine whether their out-of-area service agreements are subject to OC LAFCO review, and 2) reviewing, processing, and approving out-of-area service agreements in accordance with the provisions of Government Code §56133.

II. POLICY STATEMENT

It is the policy of this Commission to delegate to the Executive Officer the authority to: 1) consult with public agencies to determine whether their out-of-area service agreements are subject to OC LAFCO review and 2) review, process, and approve out-of-area service agreements not exempt under the provisions of Government Code §56133 to ensure that such agreements do not create growth opportunities without appropriate oversight. It is also the policy of this Commission to require that any such agreements not previously considered by this Commission be considered in connection with future applications for related changes of organization and not to unilaterally seek out and review out-of-area service agreements for compliance with G.C. §56133.

III. PROCEDURAL GUIDELINES

A. The Executive Officer, within 30 days of receipt of a request for an OC LAFCO determination as to whether a city or district agreement to provide new or extended services outside its jurisdictional boundary is exempt from OC LAFCO review, shall:

1. Determine whether the agreement is exempt from OC LAFCO approval. The following agreements shall be exempt from OC LAFCO approval:
 - a. Agreements solely involving two or more public agencies where the public service to be provided by "Agency A" is an alternative to, or substitute for, a public service already being provided by an existing public service provider ("Agency B") and where the level of service to be provided by "Agency A" is consistent with the level of service contemplated by the existing service provider ("Agency B"). For purposes of this subsection, "already being provided" means the services are within the agency's ("Agency B") service area. "Contemplated" means: 1) the service level is anticipated in a master plan or some other long-range planning document of "Agency B", and 2) sufficient infrastructure and capacity exists by "Agency A" to provide the service.
 - b. Agreements for the transfer of non-potable or non-treated water.

- c. Agreements solely involving the provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries, provided however, that agreements for the extension of surplus water service to a project that will support or induce development shall not be exempt from the provisions of this policy.
 - d. Agreements for an extended service that a city or district was providing on January 1, 1994.
 - e. Agreements involving local publicly owned electric utilities as defined by Public Utilities Code §9604, which do not involve the acquisition, construction, or installation of electric distribution facilities by a local publicly owned electric utility outside of its jurisdictional boundaries.
- B. For agreements determined not to be exempt from this policy, the Executive Officer, within 30 days of a request for OCLAFCO approval, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If the request is deemed incomplete, the Executive Officer shall immediately notify the applicant of that determination, specifying those parts of the request that are incomplete and an explanation of the manner in which the deficiencies may be made complete.
- C. Not more than 90 days from determining pursuant to a complete request that an out-of-area service agreement is subject to OC LAFCO review, the Executive Officer shall approve, disapprove, or approve with conditions the agreement for new or extended services, provided, however, that the Executive Officer shall approve or approve with conditions any such agreement only under the following conditions:
- 1. The new or extended service to be provided under the agreement by the applicant city or district outside of its jurisdictional boundaries and within its sphere of influence is in anticipation of a later change of organization.
 - 2. The new or extended service to be provided under the agreement by the applicant city or district outside of its jurisdictional boundaries and outside its sphere of influence is in response to an existing or impending threat to the public health or safety of the residents of the affected territory and both of the following requirements are met:
 - a. The applicant city or district has provided the Executive Officer with documentation of a threat to the health and safety of the public or the affected residents.
 - b. The Executive Officer has notified any alternate service provider, including any water corporation as defined in Public Utilities Code §241 or sewer system corporation as defined in Public Utilities Code §230.6 that has filed a map and a statement of its service capabilities with the Commission.

- D. If the Executive Officer disapproves the agreement or approves the agreement with conditions, the applicant may, within 30 days of the decision, request a reconsideration. This request must state the reasons for the reconsideration.

Originally Adopted: 9/12/2001

Last Reviewed: 3/8/2023

Last Revised: Not Applicable

SACRAMENTO LAFCO

SERVICE OUTSIDE OF AGENCY BOUNDARIES

Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes provisions requiring cities and special districts to request and receive written approval from the Commission before providing new or extended services by agreements outside their jurisdictional boundaries, with limited exemptions, pursuant to Government Code Sections 56133 and 56134.

It is the intent of this policy to clarify that the Commission shall determine the application of 56133 or whether an exemption under 56133(e) applies.

Government Code 56133 Policy

The Commission shall consider any proposals for an out-of-agency service extension, either pursuant to Government Code Section 56133(b), if a future change of organization or reorganization is anticipated, or pursuant to Government Code Section 56133(c), if the Commission finds that there is an existing or impending threat to public health or safety of the residents of the affected territory.

If a request pursuant to Government Code Section 56133 is filed by a party other than the city or district which would provide the service, the affected city or district must provide a written endorsement indicating its willingness to provide the service if the Commission approves the request.

The Commission shall also consider any requests to be exempt from the requirement to obtain LAFCO approval of an out-of-agency service extension, pursuant to Government Code Section 56133(e).

Procedure

Requests to authorize an Outside Service Agreement shall be filed with the Executive Officer. For requests filed under 56133(c), the agency should include documentation of a threat to the health and safety of the public or the affected residents, such as a failing well or septic system. All requests will be reviewed by staff for completeness and placed on the next feasible agenda for Commission consideration per 56133(d). Emergency connections may be authorized by the Executive Officer and reviewed by the Commission at the next regularly scheduled LAFCO meeting. Requests shall identify any assurances that the Outside Service Agreement would not induce growth or result in the premature conversion of agricultural or open space lands to an urban use. Other information that may be requested include maps, a plan for service, fees and the appropriate environmental document (Notice of Determination or Notice of Exemption).

As a condition of approval, the Commission may require the completion of the annexation within a specified time frame.

Exemptions

Agencies requesting their contracts to be exempt from Commission consideration and approval per Government Code Section 56133(e) shall provide to the Executive Officer a written description of the service arrangement and any other supporting documentation of the contractual arrangement. The Executive Officer may make a determination on the exemption, or may make a recommendation to the Commission for a Commission determination on the exemption. The Executive Officer shall endeavor to review the materials as quickly as possible and make a determination or recommendation on the exemption, to be provided based upon one or more of the following:

- Except for agencies subject to Government Code §56134, contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider are exempt.
- Contracts or agreements for the transfer of non-potable or non-treated water, and for provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries are not subject to LAFCO review.
- Service extensions providing surplus water to any project that will support or induce development require written approval from the Commission.
- Extra-territorial services provided by agencies prior to January 1, 2001 are not subject to LAFCO review.

The Executive Officer will notify the Commission of the granted exemption at the next Commission meeting

Government Code 56134 Policy and Procedure

The Commission shall consider any proposals for an out-of-agency service extension for fire protection contracts consistent with the provisions of Government Code Section 56134.

Reconsideration

Government Code Sections 56133 and 56134 provide that requests for reconsideration may be made by the applicant. It is the policy of the Commission to also consider requests for reconsideration filed by any person or affected agency. Reconsideration shall be subject to the procedures and requirements established in Government Code Section 56895, except as provided herein.

SAN BERNARDINO LAFCO – 56133(e) Policy

Policy 5 (Section 4 – Application Processing; Chapter 2. Out of Agency Service Contracts):

For a request for exemption pursuant to Government Code Section 56133(e), the Commission shall make the determination that the service(s) to be provided is/are exempt from LAFCO review. The Commission has, in cases where the service extension proposed does not facilitate development or directly affect employees, delegated the authority to make the determination for exemption pursuant to Government Code Section 56133(e) to the Executive Officer.

Prospectus

OUT-OF-AGENCY SERVICES – Policy L-113
(Exclusive of Fire Protection Services)

Background:

State law was expanded in January 2001 to require cities and special districts to request and receive approval from LAFCOs before providing new or extended services outside their jurisdictions by contracts or agreements – “out-of-agency” services. The addition is codified in Government Code Section 56133 and includes a limited number of exemptions where LAFCOs’ approval is not needed. This includes agreements between two or more public agencies where the contract service is an equal substitute for services already provided. Contracts involving fire protection services are separately addressed under Government Code Section 56134 and are not covered under this policy.

Purpose:

This policy serves as a guide to the Commission in receiving, evaluating, and acting on requests by cities and special districts to provide new or extended services other than fire protection outside their jurisdictional boundaries. The policy appropriately balances the dual interest of the Commission to encourage local agencies to cost share and pursue creative partnerships while also ensuring out of agency activities do not undermine jurisdictional boundaries or dampen local accountability.

Policy:

Policy Highlights:

1. Goals and Priorities:

- a) The Commission will consider out-of-agency service requests whenever otherwise merited new or extended services cannot be reasonably accommodated through annexations or other jurisdictional changes.
- b) The Commission will review out-of-agency service agreements not previously considered by the Commission in conjunction with future applications for related changes to organization and not unilaterally seek out and review out-of-agency service agreements for compliance with Government Code Section 56133.

- b) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory within their spheres of influence in anticipation of future jurisdictional changes.
- c) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory outside their spheres of influence in response to efficient utilization of regional government resources and existing or impending public health and safety threats.

2. Local Definitions:

Local definitions for "new" and "extended" services:

New services would involve the actual delivery of municipal functions or classes to previously unserved non-jurisdictional lands and/or the re-commencement of functions or classes after a discontinuous period of one or more years.

Extended services mean the intensification of municipal functions or classes to serve (actual) non-jurisdictional lands facilitated by a zoning change.

3. Applicability:

- a) The Commission determines exemption eligibility of all statutory exemptions under 56133(e) as well as local exemptions.
- b) Cities and special districts may request a no-cost determination as to whether any proposed out-of-agency services are eligible for exemption.

4. Exemptions

- a) In addition to those provided by the Legislature under Section 56133(e), which includes agreements established prior to 2001, the Commission established local exemptions in which approvals are not required, including:
 - i. Advisory or automatic aid services provided by a city and/or special district where no monetary compensation other than reimbursements are exchanged.
 - ii. Temporary access to cities and/or special districts' potable water supplies due to an interruption – planned or otherwise; wastewater

collection, treatment, or discharge facilities; potable, raw, or recycled water when deemed the best and most efficient use of resources.

- iii. Shared services between cities and/or special districts where monetary compensation is exchanged beyond reimbursements.

Please refer to San Diego LAFCO's Policy L-113 for a complete listing of local exemptions.

5. Request Procedures:

- a) All approval requests for out-of-agency services shall be made in writing by cities and special districts and filed with the Executive Officer. Requests shall be made in letter form by the city or special district manager and include information as required by policy.

6. Consideration Procedures:

- a) The Commission shall consider all requests for out-of-agency service approvals at a public meeting unless otherwise provided in this policy.
- b) Should requests involve purported public health or safety threats, the Commission delegates approval authority to the Executive Officer for water and/or wastewater services only.
- c) All other requests involving purported public health or safety threats shall be considered by the Commission at the earliest time possible.

7. Reconsideration:

- a) Should an out-of-agency service request be approved with conditions or denied, the applicant or any other city or special district whose sphere of influence or jurisdictional boundary contains the affected territory, may request reconsideration consistent with Rule 3.4(2).

This prospectus serves as an abbreviated guide. Please refer to Policy L-113 for a complete and specific detailing of all items summarized above.

SAN JOAQUIN LAFCO

D. EXEMPTIONS

1 Exemptions. The following are exemptions to this policy:

- a. **Public Agency Contracts.** Contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public agency.
- b. **Non-Potable and Non-Treated water.** Contract for the transfer of non-potable or non-treated water.
- c. **Surplus Water to Agricultural Land.** Contracts or agreements solely involving the provision of surplus water to agricultural lands, for projects that serve conservation purposes, or directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission.
- d. **Existing Service.** An extended service that a city or district was providing on or before January 1, 2001. An extended service that a city or district was providing means an actual connection to service and not the availability to a service.

OTHER COMMENTS

YOLO LAFCO:

No agency has tried to make their own call and have just talked to me. In cases where a 56133 does not apply, I write them a letter. But I can appreciate Butte and SD are having issues where agencies make their own call. I haven't had that here.

VENTURA LAFCO:

Regarding your question, though we do not have a policy, it is our legal counsel's opinion that LAFCo retains the authority to make the determination of whether a service meets any of the exceptions in 56133(e). We cite his opinion when this topic comes up and our cities and districts have always go along with it. I would not support the changes that are proposed requiring notification to LAFCo as it would appear to undercut his opinion and our practice.

ATTACHMENT 4.A

Alternate 56133 Legislative proposal

An amendment to add Government Code Section 56133(f) to read:

56133(f) - Prior to extending service pursuant to the exemptions in subsection 56133(e), the agency shall notify the executive officer of the local agency formation commission 60 days prior to its intention to extend services under an exemption.

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2020 Legislative Year
DRAFT 11- 20 – 2019 (Updated)

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible. PROPOSALS ARE DUE BY 12:00 P.M., MONDAY, NOVEMBER 4, 2019.

REMEMBER THAT PROPOSALS FOR THE OMNIBUS BILL MUST BE NON-CONTROVERSIAL, HAVE NO OPPOSITION AND BE MINOR TECHNICAL CORRECTIONS. WE CANNOT ACCEPT ANYTHING FOR THE OMNIBUS THAT DOES NOT MEET THIS CRITERIA AND PROPOSALS OF THIS NATURE FOR THE OMNIBUS WILL NOT BE FORWARDED TO THE LEGISLATIVE COMMITTEE.

PROPOSAL SUMMARY:

What Code Section (s) and specific language are proposed for change?

Amend C-K-H Government Code Section 56133:

#1

Add clarifying wording that *a commission shall determine when exemptions are applicable* for providing new or extended services under Section 56133 (e).

#2

Add reference to *“functions”* in Section 56133 so that all references to “new or extended services” will read “new or extended services or *functions*”.

Which CALAFCO Board-adopted legislative policy or priority does this proposal address? .

The proposed amendments reflect policies of CALAFCO to address good governance on behalf of applicable local agencies. Specifically:

1.1 Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.

2.1. Support the independence of LAFCo from local agencies.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

Is this an Omnibus suggestion or stand-alone CALAFCO sponsored bill proposal?

_____ Omnibus X Stand-alone CALAFCO sponsored bill

1. **PROBLEM. The problem(s) that the proposal would address are:**

Provide a detailed explanation of the problem(s) identified that would be solved with this proposal.

Clarifying that LAFCos determine applicability of exemptions for extraterritorial service contracts in Section 56133 (e) addresses situations where some cities and districts believe absent specific language that they are not subject to LAFCo approval for outside service agreements. Additionally, Section 56133 currently refers to only "new or extended services". However, "functions" are also subject to 56133 and, thus, should be included in 56133. For instance, the definition of "District" in Section 56063 states that districts are agencies of the state formed for the local performance of "governmental or proprietary *functions* within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133." "Functions" and "Services" are two separate things and defined differently in C-K-H. Function refers to a power, whereas; service refers to a specific activity that is performed. Both are subject to 56133 and both should be included in the section.

As further explanation, C-K-H requires LAFCos to exercise authority over functions, distinct from services, in a number of locations. For instance, when updating or

amending a sphere, “the commission shall establish the nature, location, and extent of any *functions* or classes of services provided by existing districts” (56425(i)). The Commission has authority over the “exercise of new or different *functions* or classes of services...” (56824.10). A “latent service or power” is defined as “those services, facilities, *functions*, or powers...” (Section 56050.5). Clearly, 56133 was intended to and does apply to both functions and services.

2. **SOLUTION. The proposal would address the problem in the following manner:** Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position.

As proposed the clarifying language would eliminate ambiguity and reinforce the legislative intent of the statute for LAFCos to oversee services and functions – including exemption eligibility – the ability of cities and districts in providing extraterritorial services by contract.

3. **ORGANIZATIONAL SUPPORT.**

Besides CALAFCO, which LAFCos support the proposal? What other stakeholders may support the proposal?

Currently San Diego, Orange County, Los Angeles, Riverside, Ventura, El Dorado, Butte and Alameda LAFCos. We believe most other LAFCos will support.

4. **ARGUMENTS IN SUPPORT.**

What are the specific arguments in support of the proposal? Be as specific as possible, including data to support the argument.

Clarification as proposed was included in two earlier proposals initially supported by the CALAFCO Legislative Committee and Board of Directors in 2015. The Board ultimately ceased work on the earlier proposal given the lack of consensus by members on other and more substantive changes involving the expansion of LAFCos authority to approve outside contracts beyond spheres. Proposed for the Omnibus Bill in early 2019, these proposals were objected to by some reviewing groups. This proposal is limited to just the referenced clarifications involving the determination of exemption eligibility and adds clarifying wording regarding functions as used in other sections in CKH. Ventura and San Diego LAFCos have experienced disagreement with districts which believe it is not necessary to seek LAFCo approval for providing services or functions outside its boundaries. It is important that LAFCo have clear legislative authority to take actions or plan for services in the future.

5. ORGANIZATIONAL OPPOSITION.

What organizations, if any (LAFCOs or other stakeholders) have expressed or may express opposition to the proposal?

It may be expected that CSDA and ACWA may have concerns with the proposed clarifying language as they did when previously proposed as an Omnibus Bill item until detail discussions can be held with them. These were submitted as possible Omnibus Bill items in January 2019 but not considered non-controversial or a minor technical correction.

6. ARGUMENTS IN OPPOSITION.

What are the potential specific arguments in opposition of the proposal? Be as specific as possible, including data to support the argument.

As stated above, some agencies hold positions that LAFCo does not have clear authority to oversee some functions or services including contracting outside their territory or SOI. Financial pressures and plans for municipal services to be provided at reduced costs are resulting in more contracting between agencies and outside of urban and suburban areas. These disagreements can expect to continue if clarity in the code is not enacted.

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November 20, 2019
Attachment – Proposed Section 56133

Proposed CKH Legislation Change
GC Section 56133

56133.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following, *as determined by the commission or the executive officer*:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential

structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

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PLANNING FOR A SUSTAINABLE AND PREDICTABLE FUTURE

Clarifying LAFCo Authority to Determine Government Code Section 56133(e) Exemption Eligibility

2022



California Association of Local Agency Formation Commissions (CALAFCO)
San Diego County LAFCo - Butte LAFCo - Ventura County LAFCo

www.calafco.org

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ATTACHMENT A





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INTRODUCTION

Good Planning Requires Oversight

The State of California has a history of prolific and, at times, unplanned growth but none more pronounced than in the years following World War II. Between 1940 and 1960 the population doubled and by the early 1960's California became the most populous state in the nation.¹ This rapid rise in population after the war led to rapid conversion of open space and agricultural land into suburbs. However, without oversight or a planning strategy, the resulting infrastructure was often haphazard or duplicative, which led to inefficiencies in service delivery while consuming valuable agricultural land.² The California legislature recognized the need for a separate yet local entity to provide oversight in the planning and provision of services, and enacted legislation creating Local Agency Formation Commissions (LAFCoS). The year was 1963, long before the words climate change or sustainability crept into the lexicon, yet the action was nonetheless prescient as strategic planning today is considered a core principle in sustainable infrastructure.³

In fact, a 2016 Brookings Institute report titled *Delivering on Sustainable Infrastructure for Better Development and Better Climate* found that sustainable infrastructure not only is key to avoiding extreme climate change but does so without deterring economic growth.

However, beyond that, sustainable infrastructure is also:

*...the key to poverty reduction and societal well-being in part because it enhances access to basic services and facilitates access to and knowledge about work opportunities, thus boosting human capital and quality of life. Sustainable infrastructure helps reduce poverty and extreme hunger, improve health and education levels, assist in attainment of gender equality, allows for the provision of clean water and sanitation, and provides access to affordable energy for all.*⁴

Additionally:

*...badly designed infrastructure can have significant adverse distributional, environmental and health impacts that can worsen poverty levels. Literature is abundant with examples of large-scale infrastructure investments that exacerbated income inequality, resulted in increased mortality and morbidity rates, and wrought irreversible ecosystem damage.*⁵

¹ James N. Gregory. "The Shaping of California History." Encyclopedia of American Social History (New York: Scribners, 1993).

² CALAFCO. "What is LAFCo's History?" <https://calafco.org/lafco-law/faq/what-lafcos-history>

³ Shirin Malekpour, Rebekah R. Brown, Fjalar J. de Haan. "Strategic planning of urban infrastructure for environmental sustainability: Understanding the past to intervene for the future." *Cities*, Volume 46, 2015, Pages 67-75.

⁴ Amar Bhattacharya, Joshua P. Meltzer, Jeremy Oppenheim, Zia Qureshi, Nicholas Stern. "Delivering on Sustainable Infrastructure for Better Development and Better Climate." Global Economy and Development at Brookings Institution. *The New Climate Economy*, Global Commission on the Economy and Climate. December 2016. p 2.

⁵ *Ibid.* p 5.

Fortunately, the state legislature gave LAFCos the regulatory oversight to provide this exact type of strategic land use and service planning through service reviews that they conduct when determining the spheres of influence (or the probable service boundaries) of an agency. Clearly, the stakes to ensure good planning of infrastructure and services could not be higher. That is why it is problematic when local entities avoid or ignore the LAFCo process.

This paper considers the lack of coordination and communication between agencies that ensues when cities and special districts inappropriately determine to go it alone and exempt themselves from notifying LAFCo – the defined regulatory agency for agency boundary changes and service provision – of extending services beyond their boundaries. Due to a lack of clarity, some agencies incorrectly assume they are exempt from LAFCo review under Government Code Section 56133(e) – a section that provides only limited conditions for such exemptions. This paper also considers the ramifications of this lack of clarity, including who determines whether a condition for exemption has been met and whether the proposed service provider is the most efficient and appropriate.

This paper is a collaboration of the California Association of Local Agency Formation Commissions (CALAFCO), and staff from Butte LAFCo, San Diego LAFCo, and Ventura LAFCo and is based on the experiences of a number of LAFCos.



BACKGROUND



In 1963 when LAFCOs were created, the Legislature had three main policy objectives:

1. Discouraging urban sprawl;
2. Preserving open-space and prime agricultural lands; and,
3. Encouraging the efficient provision of government services and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.⁶

⁶ California Government Code Sections 56001, 56300, 56301, 56375.

Those objectives, and all LAFCo authorities, are codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000⁷ which delegates the Legislature’s power to coordinate and oversee the boundaries of cities and special districts to LAFCos, as well as to provide regional growth management services.

Known as the Legislature’s “watchdog” for local governance issues⁸, each LAFCo is governed by a board of locally elected officials, including city council members, county supervisors, representatives from special districts (in 32 of the 58 LAFCos), and at least one member of the public appointed by the other members.

For LAFCos to achieve their objectives, the Legislature empowered them with the exclusive authority to determine the jurisdictional boundaries and service areas for each city and special district in the state. Indeed, a city or district must seek LAFCo approval to expand its jurisdictional boundaries or provide a service outside its jurisdictional boundaries. Coordinating and overseeing city and special district boundaries and service areas means LAFCos in each of the 58 counties have direct oversight on who can most efficiently provide services, the timing and location of development, and the type of services that are and are not available to support the development.

It is the Legislature’s preference that municipal services should only be provided to territory that is within a service provider’s jurisdictional boundaries and, to this end, it has placed limitations on the ability of a city or district to provide services outside those boundaries. State law provides that LAFCos shall have the power “To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.”⁹ Government Code Section 56133 requires that a city or district obtain LAFCo approval in order to provide a new or extended service by contract or agreement outside its boundaries.¹⁰

However, the Legislature has limited LAFCo authority to approve such a service to two narrow circumstances:

1. The service is in anticipation of a later change of organization to be approved by LAFCo, usually annexation.¹¹ This ensures that the territory to be served will eventually be brought within the jurisdictional boundaries of the service provider in the future.
2. The service is to respond to an existing or impending threat to public health and safety,¹² as determined by LAFCo. This ensures that the service will not induce development but is limited to addressing public health and safety.

⁷ California Government Code Sections 56000-57550.

⁸ Fifth District: 274 Cal.App.2d 545. 1 July 1969

⁹ Government Code Section 56375(p)

¹⁰ Government Code Section 56133(a) – “A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the [local agency formation] commission of the county in which the affected territory is located.”

¹¹ Government Code Section 56133(b) – “The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

¹² Government Code Section 56133(c) – “The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory...”

Absent LAFCo's determination that either of these two circumstances exist, LAFCo has no authority to approve the service and, as a result, the city or district has no authority to provide the service. It is this limitation on the authority of cities and special districts that prevents them from bypassing LAFCo review when proposing to extend services outside their boundaries.

However, state law identifies certain service scenarios under which a city or district may provide services outside its boundaries without obtaining LAFCo approval. The Legislature took care to limit these "exemptions" to services that will not induce or promote development, again ensuring that LAFCo review is necessary for services that would promote development.

California Government Code Section 56133(e) outlines these exemptions as follows:

1. Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
2. The transfer of nonpotable or nontreated water.
3. The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.
4. An extended service that a city or district was providing on or before January 1, 2001.
5. A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.
6. A fire protection contract, as defined in subdivision (a) of Section 56134.

While the language seems relatively clear cut at first reading, the lack of clarity has led to problems in the field that undermine the Legislature's intent for planning oversight by LAFCo. These exemptions have sometimes been utilized improperly as a "loophole" by local agencies to bypass LAFCo altogether; from executing contracts to sell water during a drought and utilizing a self-determined definition of "surplus water," to providing new and extended services which should be subject to thorough and transparent consideration by LAFCo on behalf of the general public. When confronted with the erroneous interpretation, some local entities have withdrawn their service contracts and initiated a LAFCo application; however, others, have been recalcitrant and uninterested in coordination with all affected local agencies.

Additionally, these self-exempted services lack the transparency and public process offered by LAFCo that is demanded by the taxpayers of the cities and districts who ultimately are responsible for funding the service. In addition, bypassing LAFCo review removes LAFCo as the external check to ensure that agricultural and open space lands are not being converted prematurely – as is the codified desire of the State of California.

In recent years, local LAFCOs have unearthed an increasing number of service contracts that have gone unreported and unevaluated by LAFCo because the parties to the contract, despite the clear intent of the law, self-determined that LAFCo notification was not necessary. Such contracts are not only the antithesis of strategic regional planning, which is the core of sustainable infrastructure, but they also are occurring in a fashion that is not transparent to district users, offer no oversight regarding the provision of services to disadvantaged unincorporated communities, and hold no guarantees of efficiency or that agricultural and open space land will be protected.



Discovery of these contracts after the fact requires significant local agency staff time to research, coordinate, and interface with local entities. Additionally, while the threat of litigation can and has been utilized by a number of LAFCOs to force compliance, not every county has the resources to fund their LAFCOs sufficiently to cover extraneous legal expenses. This last point is of significant importance as it allows those persons or entities with ample financial resources to sidestep the law because the affected LAFCo may be unable to defend itself or the law. Unfortunately, having to address these contracts after the fact consumes taxpayer dollars in the form of additional staff time to address it – with varying amounts of success – or costly litigation which many small counties simply cannot afford.

KEY ISSUES

Some local agencies have entered into contracts to provide new or extended services outside their boundaries, without benefit of LAFCo consideration, using the exemptions under Government Code Section 56133(e).

This practice creates numerous problems including:

1. Conflict Among Agencies

Unintentionally creating conflict between local agencies when a service encroaches into the jurisdiction of another agency and competing for grant money, customers, etc.

2. Disorderly Boundaries

In some instances, the extension of services outside of an agency's jurisdictional boundary in lieu of annexing the territory to the agency – including island areas – can create disorderly service areas. This can lead to jurisdictions with overlapping service areas causing duplicative services and conflict between agencies. In addition, an extension of services outside an agency's boundaries may exacerbate urban sprawl which is under LAFCo's authority to manage.

3. Conflicts with existing Government Code Section 56133(b)

Government Code Section 56133 (b) provides that a city or district may extend a service outside its boundaries only with LAFCo approval and only if the service is in anticipation of a later change of organization, usually annexation, as determined by LAFCo. When agencies fail to check-in with their local LAFCo on an extension of service, they undermine LAFCo's authority in determining whether this extension is in anticipation of a future annexation. Pertinently, this results in: (a) inhibiting LAFCo's ability to exercise its current authority to manage the orderly growth of an agency, and (b) allows agencies to extend their service areas without oversight or consideration of the current and future needs of the community.

4. Undermining the Legislature's Intent and LAFCo Authority

LAFCos are empowered by the Legislature to coordinate the orderly delivery of municipal services in concert with community needs and in step with regional growth management objectives. Together these are the main principle of strategic planning and, by extension, the core of sustainable infrastructure which alleviates a host of societal problems. Self-exempted service contracts create unnecessary costs and liabilities that are otherwise completely avoidable and significantly reduce a LAFCo's ability to plan sustainable infrastructure.

5. Creates Unpredictably in the Development Process

Private landowners make significant decisions about property based on established norms and laws and when these laws are not implemented equally throughout the community, county or state, the resulting uncertainty is troubling.

Development interests are also denied the predictability and certainty of the consistent implementation of local land use laws and the carefully planned and financed local infrastructure plans.

KEY EXAMPLES

EXAMPLE 1

Mission Resource Conservation District (San Diego County)

In July 2018, San Diego LAFCo received a formal written complaint from the Resource Conservation District of Greater San Diego County alleging that the Mission Resource Conservation District was providing new and extended services by contract beyond its jurisdictional boundary. The complaint alleged that Mission RCD actively solicits, receives, and acts on grant awards to provide services (vegetation control, irrigation audits, etc.) outside of its boundary and within the boundary of the RCD of Greater San Diego County.

Upon review of the complaint the San Diego LAFCo found the claims to be substantiated and in March 2019 issued a Cease and Desist order directing Mission RCD to immediately stop specified outside service activities due to failure to comply with Government Code Section 56133. Mission RCD responded to the cease and desist order by formally self-exempting themselves at a public Board meeting and in doing so citing eligibility to do so under Government Code Section 56133(e) despite the objections from San Diego LAFCo. The issue remains an open dispute with litigation on multiple fronts remaining a distinct possibility.

EXAMPLE 2

City of American Canyon/County of Napa (Napa County)

During the preparation of an inaugural Municipal Service Review (MSR) (2003-2004) on the City of American Canyon, Napa LAFCo became aware that the City was providing new and extended water services - outside its jurisdictional boundary - and predominantly within the County Airport Industrial Area located north of the City.

The enactment of Government Code Section 56133 was flagged in the MSR and proceeded to become the subject of a stand-alone analysis performed in 2007 by Napa LAFCo. Attorneys for both American Canyon and the County of Napa asserted that the City was exempt from needing LAFCo approval under Government Code Section 56133(e) so long as the outside services were within an extended "service area." Napa LAFCo proceeded – as a compromise championed by the County – to retroactively and prospectively approve all outside water service extensions within a geographically defined area (Napa County Airport and Industrial zoned lands) while directing the City to comply with Government Code Section 56133 for any future new and/or extended outside services. This latter directive remains in dispute with American Canyon as illuminated in the most recent MSR prepared by Napa LAFCo in 2018-2019.

KEY EXAMPLES

EXAMPLE 3

City of Chico Sewer Connections (Butte County)

In 2013, Butte LAFCo became aware that the City of Chico had connected 62 unincorporated parcels to its sewer system without first obtaining the approval of Butte LAFCo. The City operated under the belief that these sewer connections were somehow exempt from LAFCo review under Government Code Section 56133(e). Once discovered by Butte LAFCo, the City was required to submit a LAFCo extension of sewer services application and pay all associated fees. This issue was on the verge of litigation before the City conceded LAFCo was correct. This misstep by the City seriously delayed the annexation of many unincorporated islands that would have otherwise been annexed in order to receive sewer services and remain consistent with state law to ensure orderly development, logical city boundaries, and the effective delivery of services. The delay in annexation cost some residents the ability to further develop their parcels which ultimately affected housing production and increased development pressure on fringe lands on the edge of the City Sphere of Influence.

EXAMPLE 4

Rock Creek Reclamation District Flood Prevention Projects (Butte County)

The Rock Creek Reclamation District desired to conduct flood control maintenance outside of its jurisdictional boundaries and believed that such efforts were exempt from LAFCo review under Government Code Section 56133(e). While the District may have been well intentioned, it is vitally important that local agency services and functions related to regional public works projects be coordinated with all affected local agencies - which is exactly what the LAFCo process is intended to accomplish.

Butte LAFCo informed the District that theirs was an incorrect reading of the law and requested they submit the proposal to Butte LAFCo. The District finally agreed, but only just before more aggressive steps were undertaken by Butte LAFCo.

LAFCo's role is to ensure that all local agency services provided are consistent with state law to ensure orderly development and the effective delivery of services.



KEY EXAMPLES

EXAMPLE 5

City of Hollister/County of San Benito County (San Benito County)

In 2004, the County of San Benito, the City of Hollister, and the countywide San Benito County Water District entered into a Memorandum of Understanding (MOU) establishing the Hollister Urban Area (HUA). Under the MOU, the City of Hollister agreed to upgrade its wastewater treatment plant to serve approximately 90% of the area identified within the HUA boundary, which was to be developed in the future. However, the agreement was silent on LAFCo's role and ignored the fact that City sewer extensions into the County required LAFCo review and approval.

In November 2012, after the approval of the MOU by all parties, county staff prepared a brief report and Resolution for LAFCo to adopt the HUA boundary at a LAFCo Commission meeting. The report and resolution failed to reference a sphere of influence or formation of an entity that would have been under the purview of LAFCo to establish. Additionally, the report and resolution failed to state that the purpose of having LAFCo adopt the HUA was to satisfy provisions of Government Code (GC) Section 56133. Unfortunately, after Commission approval the City discontinued seeking LAFCo approval of sewer extensions outside the city limits from November 2012 to January 2015. One large project during this post-LAFCo period involved over 1,200 dwelling units.

On January 22, 2015, after both a thorough review of the prior actions to establish the HUA and an introduction of GC Section 56133 to the LAFCo Commission, the Commission adopted a resolution, confirming "...that the City must first request and receive written approval from the Commission" before extending sewer service outside the City limits.

On August 15, 2016, the City of Hollister, despite having been previously advised of LAFCo processes, entered into another agreement - this time with regional potable water service provider Sunnyslope County Water District (CWD). In this agreement, the jurisdictions self-determined that they were exempt, under GC section 56133(e)(1), from LAFCo approval authority. To justify this self-determination, Section 1.02 of that agreement references a 2007 "Billing and Collection Agreement" in which Sunnyslope CWD agreed to collect the monthly sewer bills for the City for any property where the District would collect a water bill. Since the Billing and Collection Agreement was not in accordance with the provisions or intent of GC Section 56133, the City and District were non-compliant with state law. However, Sunnyslope CWD continues to maintain that the City sewer extensions are exempt.

KEY EXAMPLES

EXAMPLE 6

Coachella Valley Water District/City of Coachella (Riverside County)

Riverside LAFCo became aware of the City of Coachella and the Coachella Valley Water District (CVWD) providing new and extended services beyond its jurisdictional boundary in 2021 as part of its Comprehensive Countywide City Municipal Service Review process. The City of Coachella confirmed that it and CVWD are actively providing water and wastewater services outside their boundaries. CVWD boundaries overlaps the City of Coachella's boundaries and SOI boundaries. The City provides wastewater within their Sanitary District which extends outside its boundary, however never requested nor received approval from Riverside LAFCo. Separately, the City provides water outside of its boundary by contract - executed in 2007-2008 - and similarly did not request or receive approval from Riverside LAFCo.

Since the services were extended without benefit of any public process, a conflict has now arisen with the City of Indio who is arguing that they are better suited to service the area with both water and wastewater. Riverside LAFCo is currently reviewing the claims and seeking resolution.

EXAMPLE 7

Lake Sherwood Community Service District (Ventura County)

Ventura LAFCo became aware that the Lake Sherwood Community Services District had since 2001 approved dozens of new potable water service connections to properties located outside its boundaries without LAFCo approval. The CSD, which when formed absorbed most of a private mutual water company, believed that it could provide new water service to any of the properties that were within the now defunct mutual water company, even though they were outside the CSD's boundaries. The CSD never consulted with LAFCo, but instead self-exempted these service extensions from LAFCo review believing that since the mutual water company's existence predated January 1, 2001, serving these properties was exempt from LAFCo review under Government Code Section 56133(e)(4). It was only after multiple meetings and legal opinions that the CSD accepted that these services were not, in fact, exempt from LAFCo review, because the exemption applies only to services that were actually being provided prior to 2001. The resolution to the unlawful connections involved many months of LAFCo staff time, tens of thousands of dollars of taxpayer money, and the formation of new waterworks district, all of which could have been avoided had the CSD been required to consult with LAFCo before providing the services.

PROPOSED SOLUTIONS

Government Code Section 56133(e) should be amended to explicitly confirm that LAFcos - not local agencies - are the authorized entity to determine whether a contracted service requires LAFCo approval pursuant to Section 56133(b) and (c) or is exempt from the LAFCo process under 56133(e).

This can be accomplished by either:

1. Amending the preface of Government Code Section 56133(e) to add "as determined by the commission", or
2. By adding a new subparagraph (f), which states: "Final determination regarding the applicability of exemptions under subparagraph (e) above shall rest solely with the commission."

CONCLUSION

The Legislature clearly and significantly delegated its authority to LAFCo to regulate, examine and plan for the establishment, expansion, and reorganization (consolidations, mergers, etc.) of cities and most special districts and their municipal services against current and anticipated community needs. This regional planning is a cornerstone of consistent, predictable, and sustainable infrastructure. The intent behind Government Code Section 56133 is to limit new and/or extended municipal services outside of an agency's jurisdictional boundary to ensure that those services do not conflict with the objectives of the LAFCo and the Legislature. Due to this lack of specificity, some contracting public agencies are interpreting Section 56133(e) as not requiring any notification to LAFCo and are, in effect, exempting themselves from any notification to

LAFCo. However, LAFCos maintain that the legislative intent behind

the Cortese-Knox-Hertzberg Act makes it clear that the final determination of whether a service contract is exempt from

a LAFCo process is a function for the LAFCo – not the contracting entities. The latter is further reinforced

by the fact that a LAFCo's lack of knowledge of

a service that has been exempted, even when

rightfully exempted, impacts later service review

determinations and can introduce situations that

LAFCos were specifically created to prevent:

inefficient and duplicative services.

Consequently, an amendment to Government

Code Section 56133(e) is needed to clarify and

make explicit that it is the LAFCo, and not the

contracting service providers, which determines

when a proposed new or extended service requires

LAFCo approval or whether that service qualifies for

an exemption from a LAFCo process under Government

Code Section 56133(e).

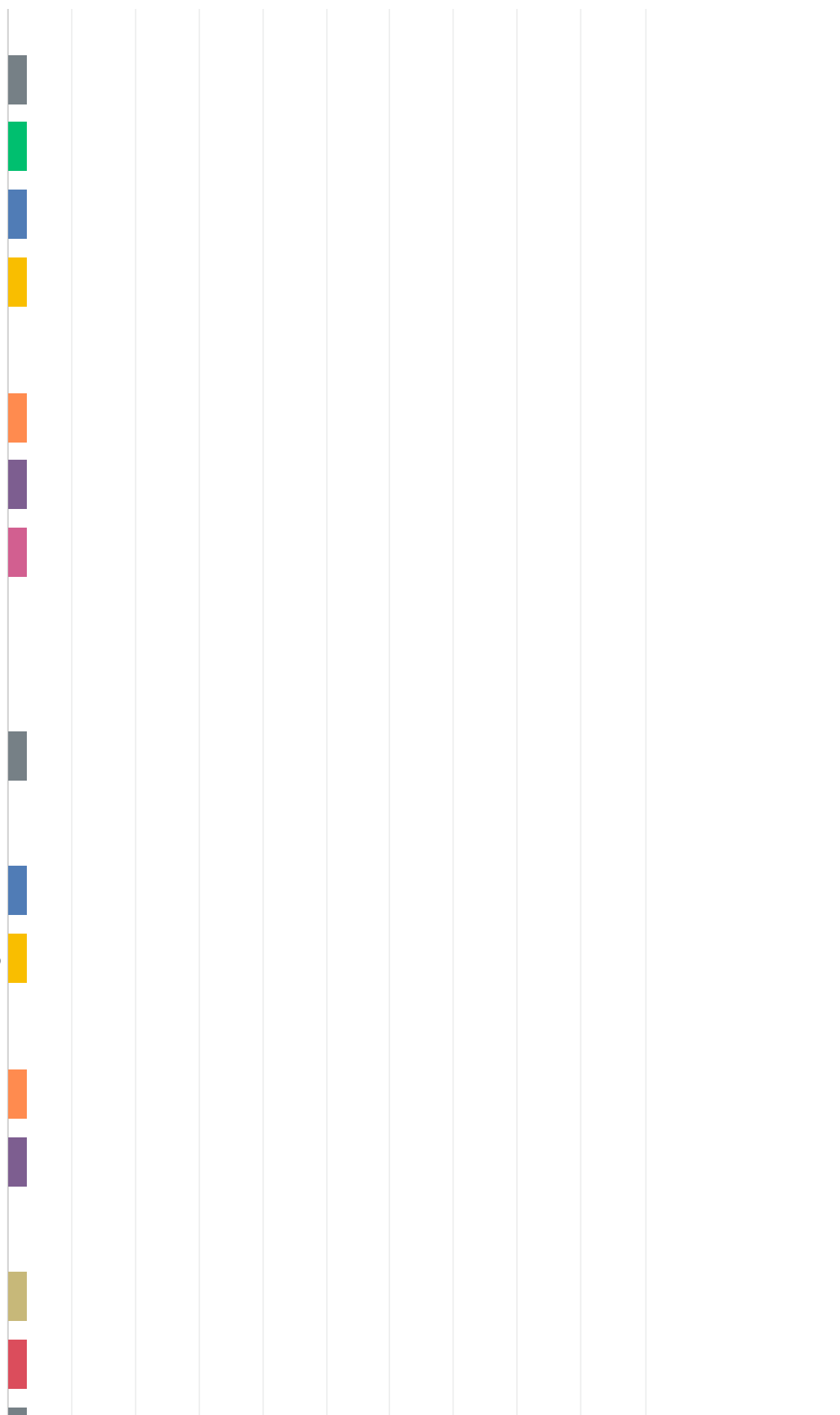


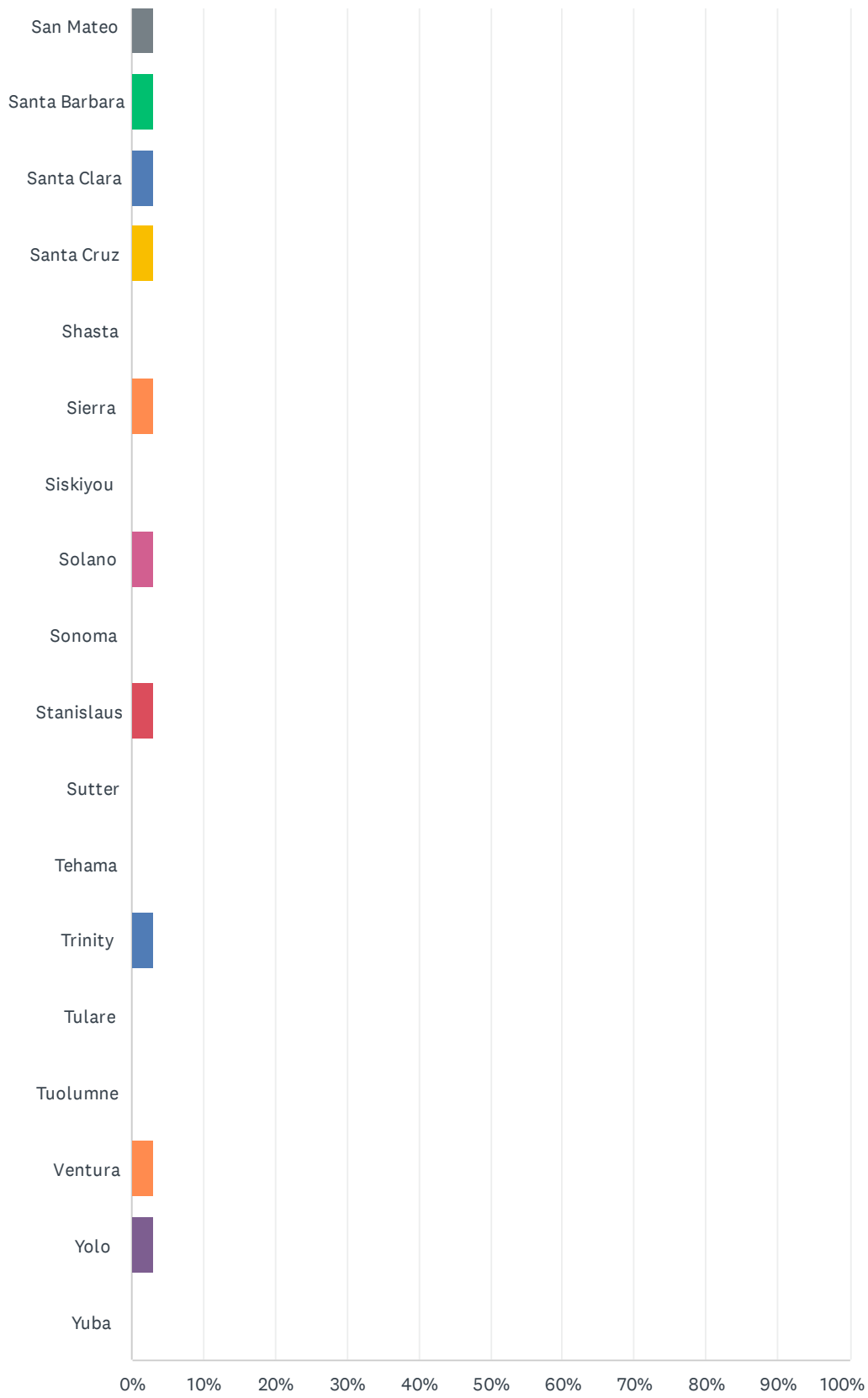
Q1 For which LAFCo are you responding?

Answered: 34 Skipped: 0



Maadera
Marin
Mariposa
Mendocino
Merced
Modoc
Mono
Monterey
Napa
Nevada
Orange
Placer
Plumas
Riverside
Sacramento
San Benito
San Bernardino
San Diego
San Francisco
San Joaquin
San Luis Obispo



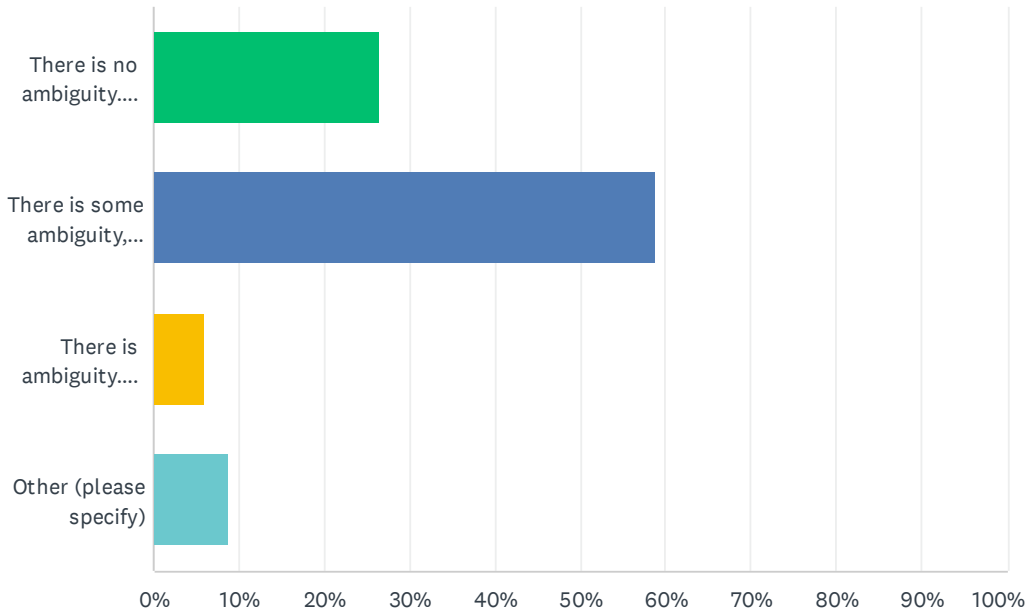


ANSWER CHOICES	RESPONSES	
Alameda	2.94%	1
Alpine	0.00%	0
Amador	2.94%	1
Butte	2.94%	1
Calaveras	0.00%	0
Colusa	0.00%	0
Contra Costa	2.94%	1
Del Norte	0.00%	0
El Dorado	0.00%	0
Fresno	2.94%	1
Glenn	2.94%	1
Humboldt	2.94%	1
Imperial	2.94%	1
Inyo	0.00%	0
Kings	2.94%	1
Lake	0.00%	0
Lassen	0.00%	0
Los Angeles	2.94%	1
Madera	0.00%	0
Marin	2.94%	1
Mariposa	2.94%	1
Mendocino	2.94%	1
Merced	2.94%	1
Modoc	0.00%	0
Mono	2.94%	1
Monterey	2.94%	1
Napa	2.94%	1
Nevada	0.00%	0
Orange	0.00%	0
Placer	2.94%	1
Plumas	0.00%	0
Riverside	2.94%	1

Sacramento	2.94%	1
San Benito	0.00%	0
San Bernardino	2.94%	1
Sn Diego	2.94%	1
San Francisco	0.00%	0
San Joaquin	2.94%	1
San Luis Obispo	2.94%	1
San Mateo	2.94%	1
Santa Barbara	2.94%	1
Santa Clara	2.94%	1
Santa Cruz	2.94%	1
Shasta	0.00%	0
Sierra	2.94%	1
Siskiyou	0.00%	0
Solano	2.94%	1
Sonoma	0.00%	0
Stanislaus	2.94%	1
Sutter	0.00%	0
Tehama	0.00%	0
Trinity	2.94%	1
Tulare	0.00%	0
Tuolumne	0.00%	0
Ventura	2.94%	1
Yolo	2.94%	1
Yuba	0.00%	0
TOTAL		34

Q2 How does your LAFCo interpret 56133(e)?

Answered: 34 Skipped: 0

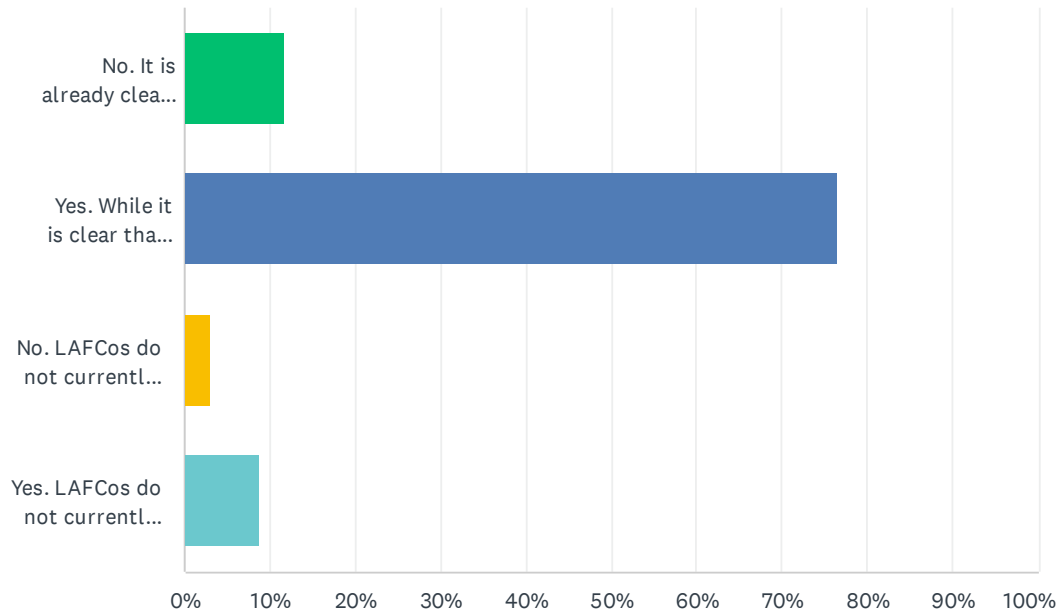


ANSWER CHOICES	RESPONSES	
There is no ambiguity. Section 56133(e) is located in LAFCo law, therefore, absent specific wording granting authority to another agency, LAFCo retains the authority to make the determination.	26.47%	9
There is some ambiguity, however because LAFCo determines when a service requires LAFCo approval pursuant to 56133(a), LAFCo should also make the determination when a service is exempt from LAFCo approval under 56133(e).	58.82%	20
There is ambiguity. Because 56133(e) does not specify what agency is to make the determination, the city or district that is to provide the service has the authority to make the determination that it is exempt from LAFCo approval.	5.88%	2
Other (please specify)	8.82%	3
TOTAL		34

#	OTHER (PLEASE SPECIFY)	DATE
1	Since it is already being challenged, then it will likely continue. So, amending it to eliminate that future possibility is best.	6/1/2023 6:10 PM
2	While there is some ambiguity, however because LAFCo determines when a service requires LAFCo approval pursuant to 56133(a), I am not sure that the Commission at a public meeting needs to make the determination in every instance when a service is exempt from LAFCo approval under 56133(e).	5/19/2023 5:16 PM
3	While there is little ambiguity in the law, it is common that cities or districts would argue they don't need LAFCo approval if they felt the Commission wouldn't support an exemption if given a chance to make a determination. So some more specific language could be beneficial to LAFCo. On the other hand, there are many obvious "common sense" situations where an exemption applies that we don't take action on. For example, being a largely agricultural county, non-potable water transfers between various water districts and agencies that became prevalent during the recent drought were clearly exempt and we didn't take the time or effort to identify each district and require any preapproval from the Commission.	5/18/2023 4:18 PM

Q3 From your LAFCo's perspective, does 56133(e) need to be amended to clarify that LAFCo is to make the determination of whether a service is exempt?

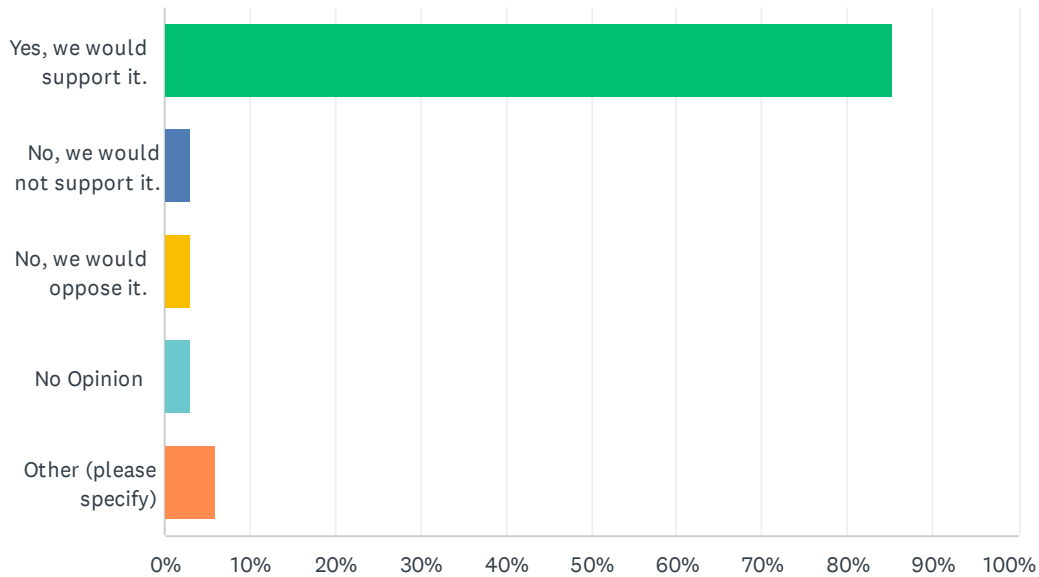
Answered: 34 Skipped: 0



ANSWER CHOICES	RESPONSES	
No. It is already clear that LAFCo holds this authority and legislative clarification is not necessary.	11.76%	4
Yes. While it is clear that LAFCo already holds this authority, the current wording is ambiguous and legislative clarification would be helpful.	76.47%	26
No. LAFCos do not currently hold this authority. Adding such language to 56133(e) would be an unneeded expansion of LAFCo authority.	2.94%	1
Yes. LAFCos do not currently hold this authority. Adding such language to 56133(e) would be an expansion of LAFCo authority, but such authority would be helpful.	8.82%	3
TOTAL		34

Q4 Would your LAFCo be in support of a legislative amendment to insert the underlined words below to the beginning of Section 56133(e) so that it reads: “This section does not apply to any of the following, as determined by the commission:”

Answered: 34 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, we would support it.	85.29%	29
No, we would not support it.	2.94%	1
No, we would oppose it.	2.94%	1
No Opinion	2.94%	1
Other (please specify)	5.88%	2
TOTAL		34

#	OTHER (PLEASE SPECIFY)	DATE
1	If the wording could somehow reflect that the Commission could do "blanket exemptions for subsections (e) 2 and 3 our Commission would be more favorable: avoid impacting non-urban water districts.	5/18/2023 4:18 PM
2	I would formally want to talk with my commission about this before taking a postion.	5/17/2023 1:25 PM

Q5 Is there anything else that you feel we should know on this topic?

Answered: 12 Skipped: 22

#	RESPONSES	DATE
1	N/A	6/2/2023 10:38 AM
2	Please research and understand the administration of 56133 in rural areas and there is no more rural LAFCo than in Sierra County. The single incorporated city and our special districts operate on shoe string budgets, are administered by volunteers on the Board of Directors as well as any staff, have little access to financial resources, and are trying to do the right thing. There should be some language in 56133 that allows LAFCo to grant a temporary extension of services with some form of interim services agreement that does not trigger sphere studies, MSR updates, and CEQA compliance. There are a number of reasons short of a bona fide emergency or health concern where temporary relief via extending services for a short term period (less than one year) is the right thing to do...not long term.	6/1/2023 4:23 PM
3	It is important to clarify to the LAFCOs that adding this term does not preclude an individual LAFCO from establishing a local policy as to how that determination is delegated or defined.	5/23/2023 12:49 PM
4	San Mateo LAFCo typically process 5 to 7 56133 service extensions a year, due largely to unique service delivery patterns related water provision in the County, where cities are the designated water provider for several unincorporated areas and even neighboring cities. We have adopted policy regarding this topic and have stated that exemptions do not need to come before LAFCo for review. We have not had any issues that I am aware of regarding agencies not coming before LAFCo when a 56133 extension was needed. It would seem that as contracts for service, such as a sheriff's contract with a city or a sewer district providing sewer service by contract to another agency would then need to be reviewed by LAFCo to determine if it was exempt. I am not sure how our Commission would view the need to review these types of actions, particularly when these types of contracts are common in our County and are not reviewed now.	5/19/2023 5:16 PM
5	Keep up the good fight and good luck getting any support from CSDA!	5/18/2023 4:18 PM
6	No	5/18/2023 8:22 AM
7	The wording "as determined by the Commission" would lead to a lot of extra work by staff. It should read, "as determined by LAFCO."	5/17/2023 2:24 PM
8	Three thoughts... 1) Amending 56133 addresses a current/known problem in San Diego County. 2) The proposed amendment to make clear LAFCO determines exemption eligibility in CKH is good public policy and ultimately saves money and resources 3) Don't bother trying to convince CSDA to support...	5/17/2023 2:11 PM
9	I think it's clear as is but will support an amendment to help those other LAFCo's that have been challenged on this. Question: I want to make sure there is no added ambiguity created that when it says, "as determined by the commission", and an EO can still make this call and it does not necessarily mean it has to be acted on at a public meeting of the commission.	5/17/2023 1:50 PM
10	Please reference Monterey LAFCO's earlier comment letters to leg committee on this topic. Thank you.	5/17/2023 1:46 PM
11	Sacramento LAFCo is currently circulating a local policy on this subject to our local agencies for review and comment. The policy essentially states that LAFCo has exclusive authority to determine is a 56133(e) exemption applies.	5/17/2023 1:28 PM
12	I support it overall but I would have a slight preference towards the wording including something to the effect of: "This section does not apply to any of the following as determined by the commission or the Executive Officer, if delegated."	5/17/2023 1:15 PM

CALAFCO List of Current Bills 6/7/2024

[AB 805](#) (Arambula D) Sewer service: disadvantaged communities.

Current Text: Amended: 6/6/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 6/6/2024

Status: 6/6/2024-Read second time and amended. Re-referred to Com. on APPR.

Location: 6/5/2024-S. APPR.

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

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality in accordance with the Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Current law authorizes a regional board to order the provision of sewer service by a receiving sewer system, as defined, to a disadvantaged community served by an inadequate onsite sewage treatment system, as defined. This bill would authorize the state board, until January 1, 2029, and after it makes a specified finding or findings by resolution, to require a designated sewer system to contract with an administrator designated or approved by the state board for administrative, technical, operational, legal, or managerial services to assist a designated sewer system with the delivery of adequate sewer service, as defined.

Position

Support if Amended

Subject

Disadvantaged Communities, Waste Water

CALAFCO Comments: 6/5/2024: Passed Senate Environmental Quality Committee and re-referred to Appropriations due to recent amendments.

5/15/2024: Amended. The general scope of the bill has now been shifted to focus on sewer system failures due to non-compliance with existing regulations, or one caused by exhibited infrastructural or capacity deficiencies.

5/1/2024: Assigned to Senate Environmental Quality committee. No hearing date yet scheduled.

1/26/2024: Support, if amended, approved. Amendment requested is the inclusion of language requiring the state board to consult with the local LAFCO.

1/22/2024: Gutted and amended. No longer addresses consolidation of waste water systems but, rather, would set up a program in which the state would provide technical, managerial, administrative, and financial assistance, where applicable, to disadvantaged communities. Position changed to support if amended to include a provision requiring the state board to consult with the local LAFCO regarding the system.

As introduced, this bill would have authorized the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities. It failed to meet 2023 deadlines and became a 2 year bill that cannot be acted upon until January, 2024.

[AB 817](#) (Pacheco D) Open meetings: teleconferencing: subsidiary body.

Current Text: Amended: 5/29/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 5/29/2024

Status: 6/5/2024-In committee: Set, second hearing. Failed passage. Reconsideration granted.

Location: 5/1/2024-S. L. GOV.

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

Summary: The Ralph M. Brown Act, requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. Current law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency (emergency provisions) and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions). Current law imposes different requirements for notice, agenda, and public participation, as prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to provide specific means by which the public may remotely hear and visually observe the meeting. This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require at least

one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. The bill would require the local agency to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Position
Watch

Subject
Brown Act

CALAFCO Comments: 6/5/2024: Considered by Senate Local Government Committee and failed. Reconsideration was granted and the measure passed on the second vote. No new date yet scheduled.

1/25/2024: Moved out of the Assembly and was assigned to Senate Local Government Committee and the Senate Judiciary Committee.

1/17/2024: Amended to add a Sunset date of January 1, 2026.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

AB 828

(Connolly D) Sustainable groundwater management: managed wetlands.

Current Text: Amended: 1/11/2024 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 1/11/2024

Status: 5/1/2024-Referred to Com. on N.R. & W.

Location: 5/1/2024-S. N.R. & W.

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

Calendar: 6/25/2024 9 a.m. - 1021 O Street, Room 2100 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms "managed wetland" and "small community water system."

Position
None at this time

Subject
Water

CALAFCO Comments: Scheduled for 6/25/2024 hearing before the Senate Committee on Natural Resources and Water.

1/29/24: Passed Assembly Floor and moved to Senate to be scheduled for policy hearing.

1/18/24: Passed out of Assembly Appropriations Committee.

1/11/24: Amended to strike provisions regarding small community water systems serving disadvantaged communities and pivots to groundwater sustainability agencies. New provisions were added to the bill that would have the effect of carving out of the existing law, until January 1, 2028, small community water systems serving disadvantaged communities from permitted public water supply wells. After January 1, 2028, that provision sunsets and the law would revert back to its current state without the carve out.

1/9/24: Passed Assembly Water, Parks and Recreation Committee.

4/17/2023: Amended to define agencies and entities required or excluded from existing 10726.4 (a) (4). Amends Water Code section 10730.2 to add language regarding fees, and amends Water Code section 10733 to address groundwater sustainability plans.

Failed to make April policy committee deadline and now cannot be acted upon until January 2024.

As introduced, would add definitions for Managed Wetlands, and Small community water system to

AB 2302 (Addis D) Open meetings: local agencies: teleconferences.

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 6/6/2024-Read second time. Ordered to third reading.

Location: 6/6/2024-S. THIRD READING

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

Calendar: 6/10/2024 #62 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary: The Ralph M. Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

Position

Watch

Subject

Brown Act

CALAFCO Comments: 6/5/2024: Passed Senate Local Government Committee, read second time on June 5, 2024. Third Reading scheduled for 06/10/2024.

5/9/2024: Passed Assembly Third Reading and moved to Senate.

4/10/24 passed Assembly Local Government Committee and sent to Assembly Floor.

Introduced on 2/12/2024, this bill would enact changes to Brown Act provisions that allow members of legislative bodies to teleconference for meetings. Currently, the law limits teleconferencing to no more than 3 consecutive months, 20% of the regular meetings in a calendar year, or 2 meetings for bodies that meet less than 10 times in a calendar year. This bill redefines those limits as 2 meetings per year for bodies meeting monthly or less; 5 meetings per year for those meeting twice per month; or 7 meetings per year if the body meetings three times or more per month.

AB 2661 (Soria D) Electricity: Westlands Water District.

Current Text: Amended: 5/16/2024 [html](#) [pdf](#)

Introduced: 2/14/2024

Last Amend: 5/16/2024

Status: 6/5/2024-Referred to Coms. on L. GOV. and E., U. & C.

Location: 5/24/2024-S. L. GOV.

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

Calendar: 6/11/2024 9 a.m. - State Capitol, Room 113 SENATE LOCAL GOVERNMENT, DURAZO, MARIA ELENA, Chair

Summary: Would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic or hydroelectric electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system and electric transmission lines, within the boundaries of the district, as specified. The bill would require the district to report the amount of income, and the purposes for expenditure of that income, from these electricity facilities in a specified report.

Position

Subject

AB 2715 (Boerner D) Ralph M. Brown Act: closed sessions.

Current Text: Amended: 4/24/2024 [html](#) [pdf](#)

Introduced: 2/14/2024

Last Amend: 4/24/2024

Status: 6/5/2024-From committee: Do pass and re-refer to Com. on JUD. (Ayes 7. Noes 0.) (June 5). Re-referred to Com. on JUD.

Location: 6/5/2024-S. JUD.

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

Summary: The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. Current law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services, as specified. This bill would additionally authorize a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information, as defined, relating to cybersecurity.

Position

None at this time

Subject

Brown Act

CALAFCO Comments: 6/5/2024: Passed Senate Local Government Committee and re-referred to the Senate Judiciary Committee. No new date yet scheduled.

5/1/2024: Passed Assembly Local Government Committee.

4/24/2024: Amended to include cybersecurity threats among the things that can be discussed in closed session. Provides a definition of "critical infrastructure controls" to include I.T. networks. As introduced on 2/14/2024, would make minor changes in the Brown Act. Monitoring.

AB 2986 (Carrillo, Wendy D) Local Agency Formation Commission for the County of Los Angeles: East Los Angeles Task Force.

Current Text: Amended: 4/29/2024 [html](#) [pdf](#)

Introduced: 2/16/2024

Last Amend: 4/29/2024

Status: 5/30/2024-In committee: Hearing postponed by committee.

Location: 5/29/2024-S. L. GOV.

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 exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. The act continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and that oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, including incorporation of a city or formation of a district, as specified. This bill would require the Local Agency Formation Commission for the County of Los Angeles (LALAFCO) to establish the East Los Angeles Task Force for the purposes of identifying and evaluating the potential impacts of incorporation of, or the establishment of special districts within, East Los Angeles, as defined. The bill would require the task force to be composed of 11 members appointed by LALAFCO in consultation with the County of Los Angeles. The bill would require the task force to meet quarterly, incorporating robust community engagement, to discuss the potential impacts of incorporation or the establishment of special districts in East Los Angeles, as specified. The bill would require the task force to complete and submit a report to the Legislature on the potential impacts of city and special district incorporation in East Los Angeles, including an analysis of advantages, disadvantages, and recommendations for future actions, as specified.

Position

None at this time

Subject

CALAFCO Comments: 05/30/2024: Senate Local Government committee hearing postponed by the committee.

05/21/2024: Read third time. Passed and ordered to the Senate; assigned to the Local Government Committee.

05/20/2024: Read second time. Ordered to third reading.

05/16/2024: Joint Rule 62(a), file notice suspended. Passed out of Appropriations.

05/15/2024: In committee: Set, first hearing. Referred to suspense file.

04/30/2024: Re-referred to Appropriations.

4/29/2024: Amended version in print. Makes the bill contingent on appropriation of funds to reimburse

LA LAFCO for the costs of the Task Force.
 4/24/2024: Passed Assembly Local Government Committee hearing with amendments and re-referred to Appropriations.
 3/21/2024: the bill was gutted and amended and now requires the LA LAFCO to develop an East Los Angeles Formation Task Force. Not a statewide issue.

AB 3277

(Committee on Local Government) Local agency formation commission: districts: property tax.

Current Text: Introduced: 2/27/2024 [html](#) [pdf](#)

Introduced: 2/27/2024

Status: 5/29/2024-From committee: Do pass and re-refer to Com. on APPR with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (May 29). Re-referred to Com. on APPR.

Location: 5/29/2024-S. APPR.

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 establishes the sole and exclusive authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. Current law requires proceedings for the formation of a district to be conducted as authorized by the principal act of the proposed district, and authorizes the local agency formation commission in each county to serve as the conducting authority, as specified. Current law requires a commission to determine the amount of property tax revenue to be exchanged by an affected local agency, as specified, if the proposal includes the formation of a district, as defined. This bill would, instead, require a commission to determine the amount of property tax revenue to be exchanged by an affected local agency if the proposal includes the formation of a district and the applicant is seeking a share of the 1% ad valorem property taxes.

Position
Sponsor

Subject
Incorporation
Proceedings

CALAFCO Comments: CALAFCO's 2024 Omnibus bill.

06/07/2024: Removed from Appropriations 6/10/2024 calendar. Awaiting new date.
 05/29/2024: Passed by Senate Local Government Committee and re-referred to Appropriations, where it is scheduled to be heard on 6/10/24.
 4/29/2024: Removed from Appropriations and sent to Assembly floor where it passed. Assigned to Senate Local Government Committee and Appropriations.
 4/10/2024: Passed Assembly Local Government Committee and was referred to Appropriations.

SB 537

(Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Current Text: Amended: 9/5/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Last Amend: 9/5/2023

Status: 6/3/2024-From inactive file. Ordered to third reading.

Location: 6/3/2024-A. THIRD READING

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

Calendar: 6/10/2024 #19 ASSEMBLY THIRD READING FILE - SENATE BILLS

Summary: Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

Position
Watch

Subject
Brown Act

CALAFCO Comments: 06/06/2024: Scheduled for third reading on the Assembly Floor.
06/03/2024: Moved from the inactive file, and ordered to third reading.
05/30/2024: Notice of intention to remove from the inactive file was given by Assembly Member Hart.

09/14/2023: Ordered to inactive file on request of Assembly Member Bryan.
08/14/2023: Amended to require eligible legislative bodies that receive compensation to participate from a physical location that is open to the public.
7/12/23: The bill passed the Assembly Local Government Committee.
The bill passed Senate Judiciary on 5/2/23, and had its third reading in the Senate on 5/30/2023.
4/24/2023: The bill was amended to further clarify definitions and the requirements needed for members of an eligible legislative body to meet remotely.
3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.
The bill is sponsored by Peninsula Clean Energy, a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.
Sponsor bill that states an intent to expand local government’s access to hold public meetings through teleconferencing and remote access.

SB 1209 (Cortese D) Local agency formation commission: indemnification.

Current Text: Introduced: 2/15/2024 [html](#) [pdf](#)

Introduced: 2/15/2024

Status: 5/28/2024-Referred to Com. on L. GOV.

Location: 5/28/2024-A. L. GOV.

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 continues in existence in each county a local agency formation commission (LAFCO) that consists of members appointed, as specified, and oversees those changes of organization and reorganization. The act authorizes a LAFCO to, among other things, review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, as specified. This bill would authorize a LAFCO to require, as a condition for, among other things, processing a change of organization or reorganization, that the applicant agrees to defend, indemnify, and hold harmless the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding, as specified, arising from or relating to the action or determination by the LAFCO.

Position
Sponsor

Subject
LAFCo
Administration

CALAFCO Comments: 05/28/2024: Referred to Assembly Local Government Committee and waiting on hearing date.

05/21/2024, Passed out of Senate and moved to Assembly.
03/20/2024, Passed Senate Local Government Committee hearing. Now proceeds to Senate floor vote, then will move to Assembly.
CALAFCO sponsored bill in response to a 2022 appellate decision out of San Luis Obispo that held that LAFCOs could not use indemnification provisions in applications because indemnifications are a form of agreement that LAFCOs are currently not authorized to enter into. As introduced, the bill would allow LAFCOs to use provisions similar to counties and cities.

Total Measures: 10
Total Tracking Forms: 10