

Introduced by Senator WolkFebruary 19, 2016

An act to amend Sections 56133, 56133.5, 56375, 56425, and 56430 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1318, as introduced, Wolk. Local government: drinking water infrastructure or services: wastewater infrastructure or services.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts.

Existing law authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries only if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would prohibit the commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. The bill would prohibit the commission from approving a sphere of influence update where there exists a disadvantaged unincorporated community within or adjacent to the city or special district's sphere of influence that lacks safe drinking water infrastructure or services or

adequate wastewater infrastructure or services unless specified conditions are met.

Existing law establishes a pilot program for the Napa and San Bernardino local agency formation commissions that permits those commissions to authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would prohibit those commissions from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities.

Existing law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

This bill would extend that prohibition to the annexation to a qualified special district. The bill would additionally prohibit a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community within or adjacent to the sphere of influence of a city or qualified special district that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services, unless the city or special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities, as specified. The bill would define “qualified special district” to mean a special district with more than 500 service connections.

Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special district within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere. Existing law authorizes the commission, in determining a sphere of influence, to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies, as provided.

This bill would instead require the commission to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies. The bill would prohibit a commission from approving a sphere of influence update that removes a disadvantaged community from a city’s sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed sphere of influence.

Existing law requires a commission, in preparing and updating spheres of influence, to conduct a service review of the municipal services provided in the county or other area designated by the commission. Existing law authorizes the commission, in conducting the review, to assess various alternatives for improving efficiency and affordability of infrastructure and service delivery, as specified, and to include a review of whether the agencies under review are in compliance with the California Safe Drinking Water Act.

This bill would instead require the commission to make the assessment of alternative and to include the safe drinking water review described above.

By imposing new duties on local government officials, this bill would impose a state-mandate 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 these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56133 of the Government Code is
- 2 amended to read:
- 3 56133. (a) A city or district may provide new or extended
- 4 services by contract or agreement outside its jurisdictional
- 5 boundary only if it first requests and receives written approval
- 6 from the commission.
- 7 (b) The commission may authorize a city or district to provide
- 8 new or extended services outside its jurisdictional boundary but

1 within its sphere of influence in anticipation of a later change of
2 organization.

3 (c) If consistent with adopted policy, the commission may
4 authorize a city or district to provide new or extended services
5 outside its jurisdictional boundary and outside its sphere of
6 influence to respond to an existing or impending threat to the health
7 or safety of the public or the residents of the affected territory, if
8 both of the following requirements are met:

9 (1) The entity applying for approval has provided the
10 commission with documentation of a threat to the health and safety
11 of the public or the affected residents.

12 (2) The commission has notified any alternate service provider,
13 including any water corporation as defined in Section 241 of the
14 Public Utilities Code, that has filed a map and a statement of its
15 service capabilities with the commission.

16 (d) *The commission shall not authorize a city or a district to*
17 *extend drinking water infrastructure or services or wastewater*
18 *infrastructure or services pursuant to this section until it has*
19 *extended those services to all disadvantaged communities within*
20 *or adjacent to its sphere of influence that are facing existing or*
21 *impending threats to the public health or safety or has entered*
22 *into an agreement to extend those services to those disadvantaged*
23 *communities that are facing existing or impending threats to the*
24 *public health or safety, unless either of the following conditions*
25 *are met:*

26 (1) *The commission finds, based upon written evidence, that a*
27 *majority of the residents of the affected disadvantaged community*
28 *or communities are opposed to receiving the identified service or*
29 *services.*

30 (2) *The extension of services is authorized pursuant to*
31 *subdivision (c).*

32 ~~(d)~~

33 (e) The executive officer, within 30 days of receipt of a request
34 for approval by a city or district to extend services outside its
35 jurisdictional boundary, shall determine whether the request is
36 complete and acceptable for filing or whether the request is
37 incomplete. If a request is determined not to be complete, the
38 executive officer shall immediately transmit that determination to
39 the requester, specifying those parts of the request that are
40 incomplete and the manner in which they can be made complete.

1 When the request is deemed complete, the executive officer shall
2 place the request on the agenda of the next commission meeting
3 for which adequate notice can be given but not more than 90 days
4 from the date that the request is deemed complete, unless the
5 commission has delegated approval of requests made pursuant to
6 this section to the executive officer. The commission or executive
7 officer shall approve, disapprove, or approve with conditions the
8 extended services. If the new or extended services are disapproved
9 or approved with conditions, the applicant may request
10 reconsideration, citing the reasons for reconsideration.

11 (e)

12 (f) This section does not apply to any of the following:

13 (1) Two or more public agencies where the public service to be
14 provided is an alternative to, or substitute for, public services
15 already being provided by an existing public service provider and
16 where the level of service to be provided is consistent with the
17 level of service contemplated by the existing service provider.

18 (2) The transfer of nonpotable or nontreated water.

19 (3) The provision of surplus water to agricultural lands and
20 facilities, including, but not limited to, incidental residential
21 structures, for projects that serve conservation purposes or that
22 directly support agricultural industries. However, prior to extending
23 surplus water service to any project that will support or induce
24 development, the city or district shall first request and receive
25 written approval from the commission in the affected county.

26 (4) An extended service that a city or district was providing on
27 or before January 1, 2001.

28 (5) A local publicly owned electric utility, as defined by Section
29 9604 of the Public Utilities Code, providing electric services that
30 do not involve the acquisition, construction, or installation of
31 electric distribution facilities by the local publicly owned electric
32 utility, outside of the utility's jurisdictional boundary.

33 (6) A fire protection contract, as defined in subdivision (a) of
34 Section 56134.

35 (f)

36 (g) This section applies only to the commission of the county
37 in which the extension of service is proposed.

38 (h) *The commission shall not approve a sphere of influence*
39 *update where there exists a disadvantaged unincorporated*
40 *community within or adjacent to the city or special district's sphere*

1 *of influence that lacks safe drinking water infrastructure or services*
2 *or adequate wastewater infrastructure or services unless the city*
3 *or special district has entered into an enforceable agreement to*
4 *extend those services into the disadvantaged community or*
5 *communities within five years of the sphere of influence change*
6 *or the commission finds, based upon written evidence, that a*
7 *majority of the residents of the affected disadvantaged community*
8 *or communities are opposed to receiving the identified service or*
9 *services.*

10 SEC. 2. Section 56133.5 of the Government Code is amended
11 to read:

12 56133.5. (a) A pilot program is hereby established for the
13 Napa and San Bernardino commissions. If consistent with adopted
14 policy, the Napa and San Bernardino commissions may authorize
15 a city or district to provide new or extended services outside its
16 jurisdictional boundary and outside its sphere of influence to
17 support existing or planned uses involving public or private
18 properties, subject to approval at a noticed public hearing in which
19 the commission makes all of the following determinations:

20 (1) The extension of service or services deficiency was identified
21 and evaluated in a review of municipal services prepared pursuant
22 to Section 56430.

23 (2) The extension of service will not result in either (1) adverse
24 impacts on open space or agricultural lands or (2) growth inducing
25 impacts.

26 (3) A sphere of influence change involving the subject territory
27 and its affected agency is not feasible under this division or
28 desirable based on the adopted policies of the commission.

29 (b) Subdivision (d) of Section 56133 shall apply to any request
30 for new or extended services pursuant to this section.

31 (c) *The Napa and San Bernardino commissions shall not*
32 *authorize a city or a district to extend drinking water infrastructure*
33 *or services or wastewater infrastructure or services pursuant to*
34 *this section until it has extended those services to all disadvantaged*
35 *communities within or adjacent to its sphere of influence that are*
36 *facing existing or impending threats to the public health or safety*
37 *or has entered into an agreement to extend those services to those*
38 *disadvantaged communities that are facing existing or impending*
39 *threats to public health or safety.*

40 (e)

1 (d) For purposes of this section, “planned use” means any project
2 that is included in an approved specific plan as of July 1, 2015.

3 ~~(d)~~

4 (e) The Napa and San Bernardino commissions shall submit a
5 report before January 1, 2020, to the Legislature on their
6 participation in the pilot program, including how many requests
7 for extension of services were received pursuant to this section
8 and the action by the commission to approve, disapprove, or
9 approve with conditions. The report required to be submitted
10 pursuant to this subdivision shall be submitted in compliance with
11 Section 9795 of the Government Code.

12 ~~(e)~~

13 (f) The pilot program established pursuant to this section shall
14 be consistent with Chapter 8.5 (commencing with Section 1501)
15 of the Public Utilities Code.

16 ~~(f)~~

17 (g) This section shall remain in effect only until January 1, 2021,
18 and as of that date is repealed.

19 SEC. 3. Section 56375 of the Government Code is amended
20 to read:

21 56375. The commission shall have all of the following powers
22 and duties subject to any limitations upon its jurisdiction set forth
23 in this part:

24 (a) (1) To review and approve with or without amendment,
25 wholly, partially, or conditionally, or disapprove proposals for
26 changes of organization or reorganization, consistent with written
27 policies, procedures, and guidelines adopted by the commission.

28 (2) The commission may initiate proposals by resolution of
29 application for any of the following:

30 (A) The consolidation of a district, as defined in Section 56036.

31 (B) The dissolution of a district.

32 (C) A merger.

33 (D) The establishment of a subsidiary district.

34 (E) The formation of a new district or districts.

35 (F) A reorganization that includes any of the changes specified
36 in subparagraph (A), (B), (C), (D), or (E).

37 (3) A commission may initiate a proposal described in paragraph
38 (2) only if that change of organization or reorganization is
39 consistent with a recommendation or conclusion of a study
40 prepared pursuant to Section 56378, 56425, or 56430, and the

1 commission makes the determinations specified in subdivision (b)
2 of Section 56881.

3 (4) A commission shall not disapprove an annexation to a city,
4 initiated by resolution, of contiguous territory that the commission
5 finds is any of the following:

6 (A) Surrounded or substantially surrounded by the city to which
7 the annexation is proposed or by that city and a county boundary
8 or the Pacific Ocean if the territory to be annexed is substantially
9 developed or developing, is not prime agricultural land as defined
10 in Section 56064, is designated for urban growth by the general
11 plan of the annexing city, and is not within the sphere of influence
12 of another city.

13 (B) Located within an urban service area that has been delineated
14 and adopted by a commission, which is not prime agricultural land,
15 as defined by Section 56064, and is designated for urban growth
16 by the general plan of the annexing city.

17 (C) An annexation or reorganization of unincorporated islands
18 meeting the requirements of Section 56375.3.

19 (5) As a condition to the annexation of an area that is
20 surrounded, or substantially surrounded, by the city to which the
21 annexation is proposed, the commission may require, where
22 consistent with the purposes of this division, that the annexation
23 include the entire island of surrounded, or substantially surrounded,
24 territory.

25 (6) A commission shall not impose any conditions that would
26 directly regulate land use density or intensity, property
27 development, or subdivision requirements.

28 (7) The decision of the commission with regard to a proposal
29 to annex territory to a city shall be based upon the general plan
30 and rezoning of the city. When the development purposes are not
31 made known to the annexing city, the annexation shall be reviewed
32 on the basis of the adopted plans and policies of the annexing city
33 or county. A commission shall require, as a condition to
34 annexation, that a city prezone the territory to be annexed or present
35 evidence satisfactory to the commission that the existing
36 development entitlements on the territory are vested or are already
37 at build-out, and are consistent with the city's general plan.
38 However, the commission shall not specify how, or in what
39 manner, the territory shall be rezoned.

1 (8) (A) Except for those changes of organization or
2 reorganization authorized under Section 56375.3, and except as
3 provided by subparagraph (B), a commission shall not approve an
4 annexation to a city *or to a qualified special district* of any territory
5 greater than 10 acres, or as determined by commission policy,
6 where ~~there exists a~~ *either of the following exists:*

7 (i) (I) A disadvantaged unincorporated community that is
8 contiguous to the area of proposed annexation, unless an
9 application to annex the disadvantaged unincorporated community
10 to the subject city has been filed with the executive officer.

11 ~~(B)~~

12 (II) An application to annex a contiguous disadvantaged
13 community shall not be required if either of the following apply:

14 ~~(i)~~

15 (ia) A prior application for annexation of the same
16 disadvantaged community has been made in the preceding five
17 years.

18 ~~(ii)~~

19 (ib) The commission finds, based upon written evidence, that
20 a majority of the registered voters within the affected ~~territory~~
21 *disadvantaged community* are opposed to annexation.

22 (ii) A *disadvantaged unincorporated community within or*
23 *adjacent to the sphere of influence of a city or qualified special*
24 *district that lacks safe drinking water infrastructure or services*
25 *or adequate wastewater infrastructure or services unless the city*
26 *or qualified special district has entered into an enforceable*
27 *agreement to extend those services into the disadvantaged*
28 *community or communities within five years of the completion of*
29 *the annexation.*

30 (B) *For purposes of this paragraph, “a qualified special*
31 *district” means a special district with more than 500 service*
32 *connections.*

33 (b) With regard to a proposal for annexation or detachment of
34 territory to, or from, a city or district or with regard to a proposal
35 for reorganization that includes annexation or detachment, to
36 determine whether territory proposed for annexation or detachment,
37 as described in its resolution approving the annexation, detachment,
38 or reorganization, is inhabited or uninhabited.

1 (c) With regard to a proposal for consolidation of two or more
2 cities or districts, to determine which city or district shall be the
3 consolidated successor city or district.

4 (d) To approve the annexation of unincorporated, noncontiguous
5 territory, subject to the limitations of Section 56742, located in the
6 same county as that in which the city is located, and that is owned
7 by a city and used for municipal purposes and to authorize the
8 annexation of the territory without notice and hearing.

9 (e) To approve the annexation of unincorporated territory
10 consistent with the planned and probable use of the property based
11 upon the review of general plan and rezoning designations. No
12 subsequent change may be made to the general plan for the annexed
13 territory or zoning that is not in conformance to the rezoning
14 designations for a period of two years after the completion of the
15 annexation, unless the legislative body for the city makes a finding
16 at a public hearing that a substantial change has occurred in
17 circumstances that necessitate a departure from the rezoning in
18 the application to the commission.

19 (f) With respect to the incorporation of a new city or the
20 formation of a new special district, to determine the number of
21 registered voters residing within the proposed city or special district
22 or, for a landowner-voter special district, the number of owners
23 of land and the assessed value of their land within the territory
24 proposed to be included in the new special district. The number
25 of registered voters shall be calculated as of the time of the last
26 report of voter registration by the county elections official to the
27 Secretary of State prior to the date the first signature was affixed
28 to the petition. The executive officer shall notify the petitioners of
29 the number of registered voters resulting from this calculation.
30 The assessed value of the land within the territory proposed to be
31 included in a new landowner-voter special district shall be
32 calculated as shown on the last equalized assessment roll.

33 (g) To adopt written procedures for the evaluation of proposals,
34 including written definitions consistent with existing state law.
35 The commission may adopt standards for any of the factors
36 enumerated in Section 56668. Any standards adopted by the
37 commission shall be written.

38 (h) To adopt standards and procedures for the evaluation of
39 service plans submitted pursuant to Section 56653 and the initiation

1 of a change of organization or reorganization pursuant to
2 subdivision (a).

3 (i) To make and enforce regulations for the orderly and fair
4 conduct of hearings by the commission.

5 (j) To incur usual and necessary expenses for the
6 accomplishment of its functions.

7 (k) To appoint and assign staff personnel and to employ or
8 contract for professional or consulting services to carry out and
9 effect the functions of the commission.

10 (l) To review the boundaries of the territory involved in any
11 proposal with respect to the definiteness and certainty of those
12 boundaries, the nonconformance of proposed boundaries with lines
13 of assessment or ownership, and other similar matters affecting
14 the proposed boundaries.

15 (m) To waive the restrictions of Section 56744 if it finds that
16 the application of the restrictions would be detrimental to the
17 orderly development of the community and that the area that would
18 be enclosed by the annexation or incorporation is so located that
19 it cannot reasonably be annexed to another city or incorporated as
20 a new city.

21 (n) To waive the application of Section 22613 of the Streets and
22 Highways Code if it finds the application would deprive an area
23 of a service needed to ensure the health, safety, or welfare of the
24 residents of the area and if it finds that the waiver would not affect
25 the ability of a city to provide any service. However, within 60
26 days of the inclusion of the territory within the city, the legislative
27 body may adopt a resolution nullifying the waiver.

28 (o) If the proposal includes the incorporation of a city, as defined
29 in Section 56043, or the formation of a district, as defined in
30 Section 2215 of the Revenue and Taxation Code, the commission
31 shall determine the property tax revenue to be exchanged by the
32 affected local agencies pursuant to Section 56810.

33 (p) To authorize a city or district to provide new or extended
34 services outside its jurisdictional boundaries pursuant to Section
35 56133.

36 (q) To enter into an agreement with the commission for an
37 adjoining county for the purpose of determining procedures for
38 the consideration of proposals that may affect the adjoining county
39 or where the jurisdiction of an affected agency crosses the boundary
40 of the adjoining county.

1 (r) To approve with or without amendment, wholly, partially,
2 or conditionally, or disapprove pursuant to this section the
3 annexation of territory served by a mutual water company formed
4 pursuant to Part 7 (commencing with Section 14300) of Division
5 3 of Title 1 of the Corporations Code that operates a public water
6 system to a city or special district. Any annexation approved in
7 accordance with this subdivision shall be subject to the state and
8 federal constitutional prohibitions against the taking of private
9 property without the payment of just compensation. This
10 subdivision shall not impair the authority of a public agency or
11 public utility to exercise eminent domain authority.

12 SEC. 4. Section 56425 of the Government Code is amended
13 to read:

14 56425. (a) In order to carry out its purposes and responsibilities
15 for planning and shaping the logical and orderly development and
16 coordination of local governmental agencies subject to the
17 jurisdiction of the commission to advantageously provide for the
18 present and future needs of the county and its communities, the
19 commission shall develop and determine the sphere of influence
20 of each city and each special district, as defined by Section 56036,
21 within the county and enact policies designed to promote the logical
22 and orderly development of areas within *or adjacent to* the sphere.

23 (b) Prior to a city submitting an application to the commission
24 to update its sphere of influence, representatives from the city and
25 representatives from the county shall meet to discuss the proposed
26 new boundaries of the sphere and explore methods to reach
27 agreement on development standards and planning and zoning
28 requirements within the sphere to ensure that development within
29 the sphere occurs in a manner that reflects the concerns of the
30 affected city and is accomplished in a manner that promotes the
31 logical and orderly development of areas within the sphere. If an
32 agreement is reached between the city and county, the city shall
33 forward the agreement in writing to the commission, along with
34 the application to update the sphere of influence. The commission
35 shall consider and adopt a sphere of influence for the city consistent
36 with the policies adopted by the commission pursuant to this
37 section, and the commission shall give great weight to the
38 agreement to the extent that it is consistent with commission
39 policies in its final determination of the city sphere.

1 (c) If the commission's final determination is consistent with
2 the agreement reached between the city and county pursuant to
3 subdivision (b), the agreement shall be adopted by both the city
4 and county after a noticed public hearing. Once the agreement has
5 been adopted by the affected local agencies and their respective
6 general plans reflect that agreement, then any development
7 approved by the county within the sphere shall be consistent with
8 the terms of that agreement.

9 (d) If no agreement is reached pursuant to subdivision (b), the
10 application may be submitted to the commission and the
11 commission shall consider a sphere of influence for the city
12 consistent with the policies adopted by the commission pursuant
13 to this section.

14 (e) In determining the sphere of influence of each local agency,
15 the commission shall consider and prepare a written statement of
16 its determinations with respect to each of the following:

17 (1) The present and planned land uses in the area, including
18 agricultural and open-space lands.

19 (2) The present and probable need for public facilities and
20 services in the area.

21 (3) The present capacity of public facilities and adequacy of
22 public services that the agency provides or is authorized to provide.

23 (4) The existence of any social or economic communities of
24 interest in the area if the commission determines that they are
25 relevant to the agency.

26 (5) For an update of a sphere of influence of a city or special
27 district that provides public facilities or services related to sewers,
28 municipal and industrial water, or structural fire protection, that
29 occurs pursuant to subdivision (g) on or after July 1, 2012, the
30 present and probable need for those public facilities and services
31 of any disadvantaged unincorporated communities within *or*
32 *adjacent* the existing sphere of influence.

33 (f) Upon determination of a sphere of influence, the commission
34 shall adopt that sphere.

35 (g) On or before January 1, 2008, and every five years thereafter,
36 the commission shall, as necessary, review and update each sphere
37 of influence.

38 (h) In determining a sphere of influence, the commission ~~may~~
39 *shall* assess the feasibility of governmental reorganization of
40 particular agencies and recommend reorganization of those

1 agencies when reorganization is found to be feasible and if
2 reorganization will further the goals of orderly development and
3 efficient and affordable service delivery. The commission shall
4 make all reasonable efforts to ensure wide public dissemination
5 of the recommendations.

6 (i) When adopting, amending, or updating a sphere of influence
7 for a special district, the commission shall establish the nature,
8 location, and extent of any functions or classes of services provided
9 by existing districts.

10 (j) When adopting, amending, or updating a sphere of influence
11 for a special district, the commission may require existing districts
12 to file written statements with the commission specifying the
13 functions or classes of services provided by those districts.

14 (k) *The commission shall not approve a sphere of influence*
15 *update that removes a disadvantaged community from a city's*
16 *sphere of influence unless a majority of the voters in the*
17 *disadvantaged community approve of the proposed sphere of*
18 *influence.*

19 SEC. 5. Section 56430 of the Government Code is amended
20 to read:

21 56430. (a) In order to prepare and to update spheres of
22 influence in accordance with Section 56425, the commission shall
23 conduct a service review of the municipal services provided in the
24 county or other appropriate area designated by the commission.
25 The commission shall include in the area designated for service
26 review the county, the region, the subregion, or any other
27 geographic area as is appropriate for an analysis of the service or
28 services to be reviewed, and shall prepare a written statement of
29 its determinations with respect to each of the following:

30 (1) Growth and population projections for the affected area.

31 (2) The location and characteristics of any disadvantaged
32 unincorporated communities within or contiguous to the sphere
33 of influence.

34 (3) Present and planned capacity of public facilities, adequacy
35 of public services, and infrastructure needs or deficiencies including
36 needs or deficiencies related to sewers, municipal and industrial
37 water, and structural fire protection in any disadvantaged,
38 unincorporated communities within or contiguous to the sphere
39 of influence.

40 (4) Financial ability of agencies to provide services.

1 (5) Status of, and opportunities for, shared facilities.

2 (6) Accountability for community service needs, including
3 governmental structure and operational efficiencies.

4 (7) Any other matter related to effective or efficient service
5 delivery, as required by commission policy.

6 (b) In conducting a service review, the commission shall
7 comprehensively review all of the agencies that provide the
8 identified service or services within the designated geographic
9 area. The commission ~~may~~ shall assess various alternatives for
10 improving efficiency and affordability of infrastructure and service
11 delivery within and contiguous to the sphere of influence,
12 including, but not limited to, the consolidation of governmental
13 agencies: *agencies or the extension of services, or both.*

14 (c) In conducting a service review, the commission ~~may~~ shall
15 include a review of whether the agencies under review, including
16 any public water system as defined in Section 116275, are in
17 compliance with the California Safe Drinking Water Act (Chapter
18 4 (commencing with Section 116270) of Part 12 of Division 104
19 of the Health and Safety Code). A public water system may satisfy
20 any request for information as to compliance with that act by
21 submission of the consumer confidence or water quality report
22 prepared by the public water system as provided by Section 116470
23 of the Health and Safety Code.

24 (d) The commission may request information, as part of a service
25 review under this section, from identified public or private entities
26 that provide wholesale or retail supply of drinking water, including
27 mutual water companies formed pursuant to Part 7 (commencing
28 with Section 14300) of Division 3 of Title 1 of the Corporations
29 Code, and private utilities, as defined in Section 1502 of the Public
30 Utilities Code.

31 (e) The commission shall conduct a service review before, or
32 in conjunction with, but no later than the time it is considering an
33 action to establish a sphere of influence in accordance with Section
34 56425 or 56426.5 or to update a sphere of influence pursuant to
35 Section 56425.

36 SEC. 6. If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O