

Senate Bill No. 894

CHAPTER 699

An act to repeal Section 349 ½ of the Code of Civil Procedure, to add Section 17624.5 to the Education Code, to amend Sections 17600, 23110, 23124, 25214.2, 31010.5, 31479.1, 34873, 34875, 34900, 34901, 36508, 36511, 36515, 36516.1, 36516.5, 36804, 36811, 50271, 61116, 65063.7, 65920, 66000.5, and 66031 of, to add Sections 23221, 23296, 23302, 23503, 56103.5, 65107, 65801, and 66499.38 to, and to repeal Section 65924 of, the Government Code, to amend Sections 2074, 9074, 13897, 33080.2, 33445.1, 40225, 40326, 40526, 40751, 116183, and 117065 of, to amend and repeal Sections 32121 and 32126 of, and to add Section 33501.9 to, the Health and Safety Code, to amend Sections 20142, 20405, and 20688.6 of, and to add Sections 20614 and 20998 to, the Public Contract Code, to amend Section 5788.17 of, and to add Section 21167.9 to, the Public Resources Code, to add Sections 21670.6 and 29236 to the Public Utilities Code, to amend Section 99.02 of the Revenue and Taxation Code, to amend Sections 35424, 50655, and 50656 of the Water Code, and to amend Section 3.2 of Chapter 283 of the Statutes of 1973, relating to local government.

[Approved by Governor September 30, 2010. Filed with
Secretary of State September 30, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

SB 894, Committee on Local Government. Local Government Omnibus Act of 2010.

(1) Existing law requires a challenge to the validity of any proceedings for the incorporation of a municipal corporation, the annexation of territory to a municipal corporation, or for the consolidation of municipal corporations, to be brought within 3 months after the completion of those proceedings.

This bill would repeal this requirement.

(2) Existing law authorizes the use of mediation in any action brought in the superior court relating to the approval or denial by a public agency of any development project, any act or decision of a public agency made pursuant to the California Environmental Quality Act, the failure of a public agency to meet the time limits specified by the Permit Streamlining Act or the Subdivision Map Act, fees levied against development projects by school districts or for construction or reconstruction of school facilities, fees for development projects, the adequacy of a general plan or specific plan, the validity of any sphere of influence, urban service area, change of organization or reorganization, or any other decision made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the adoption or amendment of a redevelopment plan pursuant to the

Community Redevelopment Law, the validity of any specified zoning decision, or the validity of any decision made pursuant by an Airport Land Use Commission, as specified.

This bill would include a cross-reference to this authorization in each of the affected provisions.

(3) Existing law requires the Commission on State Mandates to report to the Legislature, at least twice each calendar year, the number of mandates it has found and to identify in that report the statewide costs estimated for each mandate and the reasons for recommending the reimbursement.

This bill would also require the commission's report to include the status of pending parameters and guidelines that include proposed reasonable reimbursement methodologies, the status of joint proposals between the Department of Finance and a local agency or school district to develop reasonable reimbursement methodologies and statewide estimates of costs in lieu of parameters or to develop legislatively determined mandate reimbursements, and any delay in the process of developing those reimbursement methodologies.

(4) Existing law sets forth the boundaries of Merced and Fresno Counties, as specified.

This bill would revise those boundary descriptions to reflect the current boundaries of those counties.

(5) Existing law, where the act authorizing an action by a public agency authorizes a validating proceeding, authorizes a public agency to bring an action in superior court to determine the validity of that action, within 60 days of the act. Existing law also authorizes any interested person, where a public agency has not commenced proceedings to determine the validity of an action, to bring an action against the public agency, within 60 days of the act, to determine the validity of the act.

This bill would authorize a county, or an interested person, as specified, to bring an action to determine the validity of any minor change to the boundaries of a county, a change, alteration, or reformation to the boundaries of a county, the formation of a county, or the consolidation of counties to within 60 days of any of those actions.

(6) Existing law authorizes a special district, until December 31, 2014, to issue securitized limited obligation note or notes to borrow money, upon a vote of $\frac{4}{5}$ of all the members of a governing body adopting a resolution specifying, among other things, the purpose of acquiring the indebtedness, the amount of indebtedness, and the manner of execution of the securitized limited obligation notes.

This bill would specify that a county service area, a community services district, a mosquito abatement district, a public cemetery district, a fire protection district, a recreation and park district, the San Francisco Bay Area Rapid Transit District, and the South Coast Air Quality Management District may issue a securitized limited obligation note or notes, and would declare that this authorization is declaratory of existing law.

(7) Existing law prohibits public officials from simultaneously holding two public offices that are incompatible subject to certain exceptions,

including where the holding of a particular office is expressly authorized by law. Existing law specifies that service as an elected director of a recreation and park district is not considered an incompatible office with service on a municipal advisory council. Existing law also specifies that service as a municipal advisory counsel is not incompatible with service on a community services district board.

This bill would clarify that service on a community service district is not considered an incompatible office with service as a member of a municipal advisory council.

(8) Existing law specifies that any statutory reference to “councilman” or “councilmen” also means and includes “councilwoman” or “councilwomen.” Under existing law, the terms “councilman” or “councilmen” are used in various provisions, including, among others, the election of councilmen by or from districts, appointments made by councilmen, and service by councilmen on regional district boards. Existing law refers to the mayor as “he” or “him” with regard to attendance at meetings of a city selection committee.

This bill would revise those provisions to instead refer to “council member” and would refer to the mayor, only as “the mayor.”

(9) Existing law, the Local Health Care District Law, until January 1, 2011, authorizes each local district to, among other things, transfer, at fair market value, or lease any part of its assets to one or more corporations to operate and maintain the assets and requires the district to receive voter approval by the voters of the district if the transfer or lease includes 50% or more of the district’s assets, as specified.

This bill would eliminate that repeal date.

Existing law, beginning January 1, 2011, authorizes each local district to, among other things, transfer, at fair market value, or lease any part of its assets to one or more nonprofit corporations to operate and maintain the assets, and requires to district to receive voter approval by the voters of the district if the transfer or lease to one or more nonprofit corporations includes 50% or more of the district’s assets, as specified.

This bill would repeal this provision.

(10) Existing law requires a redevelopment agency to present an annual report to its legislative body within 6 months of the end of the agency’s fiscal year, and inform the legislative body of any major violations based on the independent financial audit report and that failure to correct a major violation may result in the filing of an action by the Attorney General.

This bill would revise these provisions to instead refer to any major audit violations.

(11) The Community Redevelopment Law authorizes a redevelopment agency, with the consent of the legislative body, to pay all or a part of the value of the land for, and the cost of the installation and construction of, any improvement that is publicly owned and is located outside, and not contiguous to, the project area, if that improvement is located within the community, and if the legislative body makes specified findings. Existing law provides that this authorization is inapplicable, if the financing,

construction, or installation of the land or improvement is an obligation of the agency under specified contracts.

This bill would modify that provision to instead provide that, if the financing, construction, or installation of the land or improvement is an obligation of the agency under specified contracts, the agency is authorized to pay all or a part of the value of the land and the cost of the installation and construction of the improvement, but only in accordance with the requirements of another specified provision of law.

(12) Existing law directs the air pollution control officer of an air pollution control district, subject to the direction of the board, to appoint district personnel.

This bill would direct the air pollution control officer, subject to the direction of the board, to appoint district personnel, including any deputies necessary for the prompt and faithful discharge of the air pollution control officer's duties.

(13) Existing law, until January 1, 2011, requires any state or local agency responding to an outbreak of West Nile virus or other mosquito-borne disease with an abatement and surveillance program to contract with a local mosquito and vector control agency that is party to a cooperative agreement with the State Department of Public Health or directly with that department, to ensure that outbreak response is supervised appropriately and conducted by licensed personnel using sound integrated mosquito management techniques.

This bill would extend that requirement to January 1, 2012.

(14) Existing law authorizes a public agency that owns and operates a reservoir used for domestic or drinking water to post a copy of its rules and regulations in the area opened to public fishing and other recreational uses, and at least once in a newspaper of general circulation, as specified.

This bill would authorize an agency that amends its rules and regulations to similarly publish a summary of its amended rules and regulations, along with an Internet address and the physical location where the complete text of the amended rules and regulations may be viewed.

(15) Existing law authorizes the board of supervisors of a county to authorize the county engineer, or other county officer, to order changes or additions in the work being performed under construction contracts. For contracts whose original cost exceeds \$250,000, the extra cost for any change or addition to the work ordered may not exceed \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and in no event may a change or alteration cost exceed \$150,000.

This bill would raise the maximum amount of the cost of the change for a contract with an original cost in excess of \$250,000 from \$150,000 to \$210,000.

(16) Existing law authorizes a board of supervisors to contract for the construction, maintenance, and repair of a county bridge or subway by awarding the contract to the lowest responsible bidder, as specified.

This bill would authorize a board of supervisors in specified counties to authorize the road commissioner or a registered civil engineer under the direction of the county director of transportation, to execute changes or

additions to the work for any contract. The bill would limit a change in contracts of less than \$50,000 to a change amount not to exceed \$5,000, in contracts of more than \$50,000 but less than \$250,000 not to exceed 10% of the amount of the original contract, and for contracts of more than \$250,000 not to exceed \$25,000 plus 5% of the cost of the original contract, and not more than \$210,000.

(17) Existing law requires county waterworks districts to award all contracts in excess of \$3,500 to the lowest responsible bidder, except that contracts under \$7,500 may be awarded pursuant to informal bidding procedures established by the board, as specified.

This bill would authorize the board of supervisors of a county and the board of directors of the district, to authorize the general manager or other district officer to order changes or additions in work being performed under contracts entered into by the district. The bill would limit a change in contracts of less than \$50,000 not to exceed \$5,000, in contracts of more than \$50,000 but less than \$250,000 not to exceed 10% of the amount of the original contract, and for contracts of more than \$250,000 not to exceed \$25,000 plus 5% of the cost of the original contract, and in no event more than \$210,000.

(18) Existing law, until January 1, 2016, authorizes a redevelopment agency, with the approval of its duly constituted board in a public hearing, to enter into design-build contracts for projects, as defined, in excess of \$1,000,000, in accordance with specified provisions.

This bill would correct an incorrect cross-reference in these provisions.

(19) Existing law requires the Los Angeles County Flood Control District to let to the lowest bidder all contracts for more than \$25,000, as specified, and does not authorize change orders to those contracts.

This bill would authorize the Los Angeles County Flood Control District to authorize the chief engineer or other district officer to order changes or additions in work being performed under contracts entered into by the district. The bill would limit a change in contracts of less than \$50,000 to a change amount not to exceed \$5,000, in contracts of more than \$50,000 but less than \$250,000 not to exceed 10% of the amount of the original contract, and for contracts of more than \$250,000 not to exceed \$25,000 plus 5% of the cost of the original contract, and not more than \$210,000.

(20) Existing law, commencing with the 1985–86 fiscal year, authorizes any local agency, by the adoption of a resolution of its governing body or board, to exchange any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency with one or more other local agencies that have the same tax rate areas, as specified, subject to specified restrictions.

This bill would instead authorize a local agency to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies that have the same tax rate areas, as specified, subject to specified restrictions.

(21) Existing law specifies that if a water district had published equitable rules and regulations for the distribution of water once a week for 2 weeks

in a newspaper of general circulation published in each affected county, any violation of those rules and regulations is a misdemeanor subject to a specified fine.

This bill would authorize a water district to publish a summary of amendments to the rules and regulations with an Internet address and a physical location where the complete text of the amended rules and regulations may be viewed.

(22) Existing law specifies the deadline for a public agency to determine whether an application for a development project received before January 1, 1978, or pending on January 1, 1978, is complete.

This bill would repeal that provision.

(23) Existing law requires the board of a reclamation district to adopt a seal of the district, as specified, and requires all documents that require approval by the board to bear that seal.

This bill would instead authorize the board to adopt and alter a seal, and would require all documents requiring approval by the board to bear the signature of either a trustee or the secretary.

(24) Existing law requires the board of the North Delta Water Agency to consist of 5 members, one from each of the 5 divisions in the agency, and each of whom must be an owner or legal representative of real property within the division he or she represents.

This bill would require board members to be elected by division, and only by the voters of that division, and would prohibit elections at large.

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

SECTION 1. (a) This act shall be known and may be cited as the Local Government Omnibus Act of 2010.

(b) The Legislature finds and declares that Californians want their governments to run efficiently and economically and that public officials should avoid waste and duplication whenever possible. The Legislature further finds and declares that it desires to control its own costs by reducing the number of separate bills. Therefore, it is the intent of the Legislature in enacting this act to combine several minor, noncontroversial statutory changes relating to the common theme, purpose, and subject of local government into a single measure.

SEC. 1.3. Section 349½ of the Code of Civil Procedure is repealed.

SEC. 2. Section 17624.5 is added to the Education Code, to read:

17624.5. Any action brought in the superior court relating to this chapter may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7 of the Government Code.

SEC. 2.5. Section 17600 of the Government Code is amended to read:

17600. (a) At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of

these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

(b) The commission shall also include the following in the report required by subdivision (a):

(1) The status of pending parameters and guidelines that include proposed reasonable reimbursement methodologies, as defined in Section 17518.5.

(2) The status of joint proposals between the Department of Finance and a local agency or school district to develop reasonable reimbursement methodologies and statewide estimates of costs in lieu of parameters and guidelines, pursuant to Sections 17557.1 and 17557.2.

(3) The status of joint proposals between the Department of Finance and a local agency or school district to develop legislatively determined mandate reimbursements, pursuant to Sections 17572 to 17574.5, inclusive.

(4) Any delays in the processes described in paragraphs (1) to (3), inclusive.

SEC. 3. Section 23110 of the Government Code is amended to read:

23110. The boundaries of Fresno County are as follows:

Beginning on the south line of Merced at a point where said line crosses the San Joaquin River; thence south, 45 degrees west, and on the line of Merced, to the centerline of a drain in the Southwest Quarter of the Southwest Quarter of Section 6, T. 11 S., R. 13 E., M.D.B.&M; thence along said centerline southeasterly to the centerline of Colony East Ditch Canal; thence southerly along said centerline to the south line of the north half of the Southeast Quarter of Section 7, said Township and Range; thence westerly along said south line to the northeast corner of the west half of the Southwest Quarter of said section; thence southerly along the east line of said west half to the south line of said Section; thence westerly along said line to the North Quarter corner of Section 18, said Township and Range; thence southerly along the north-south centerline of Section 18 and Section 19 to the south line of Section 19; thence westerly along said south line and the south line of Sections 24 & 23 & 22 & 21 in T. 11 S., R. 12 E. to a point that is south 45 degrees west from said line of Merced; thence south 45 degrees west to the eastern boundary line of San Benito; thence southeasterly along said boundary line to the southeast corner of T. 16 S. R. 12 E.; thence easterly along the south line of T. 16 S. to the northeast corner of T. 17 S., R. 12 east; thence southerly along the east line of R. 12 E. to the point where the summit line of the Coast Range Mountains crosses the east line of R. 12 east and continuing along said San Benito boundary along the summit line to Monterey; thence continuing along the Monterey boundary and said summit line in a southerly and southeasterly direction, to a point in that boundary, which point is south 45 degrees west from the point on Kings River where the northern line of T. 16 S. crosses the Kings River; said point being the common corner of Fresno, Monterey, and Kings; said corner point defined by survey recorded in Book 42 of Record of Surveys at Pages 57 and 58, Fresno County Records; thence along the Fresno-Kings boundary, as defined by said survey north 47° 12' 09" east, to the northwest corner of Section 19, T. 20 S., R. 19 E.; thence north along the west line of R. 19

E. to the north line of T. 18 S.; thence east along the north line of T. 18 S. to the centerline of Kings River; thence easterly along the centerline of Kings River to the point that intersects the south 45 degrees west boundary, said boundary is south 45 degrees west from the point on Kings River where the northern line of T. 16 S. crosses the Kings River; thence north 45 degrees east to the point on the Kings River where the northern line of T. 16 S. crosses the Kings River; thence east along the northern line of T. 16 S. and continuing on said line to the northwest corner of T. 16 S., R. 25 E.; thence north to the northwest corner of T. 15 S., R. 25 E.; thence east to the northeast corner of T. 15 S., R. 27 E.; thence north to the northeast corner of T. 14 S. of R. 27 E.; thence east on the line between T. 13 and 14 S. to the summit of the Sierra Nevada Mountains, being the western line of Inyo; thence northwesterly, on the summit line and lines of Inyo and Mono, to the common corner of Mono, Madera, and Fresno; thence southwesterly along the boundary of Madera to the point where the San Joaquin River crosses the south boundary line of T. 6 S., R. 24 E.; thence southwesterly and northwesterly following the meanderings of said river to a point on the southerly boundary of Merced, said point being the common corner of Fresno, Madera, and Merced and the place of beginning.

SEC. 4. Section 23124 of the Government Code is amended to read:

23124. The boundaries of Merced County are as follows:

Beginning at the northwest corner, being the southwest corner of Stanislaus as shown on the survey map of A. J. Stakes, 1868; thence northeasterly, on southern line of Stanislaus to common corner of Tuolumne, Mariposa, Merced, and Stanislaus; thence southeasterly, by direct line, being western line of Mariposa, to Phillips' ferry, on Merced River; thence southeasterly, on line of Mariposa, being line shown on "map of Mariposa County," to Newton's crossing on Chowchilla Creek, forming the southeast corner; thence down the northern side and on highwater mark, being on line of Madera to the lower clump of cottonwood timber at the sink of said creek; thence south, 45 degrees west, to the centerline of a drain in the Southwest Quarter of the Southwest Quarter of Section 6, Township 11 South, Range 13 east, M.D.B.&M; thence along said centerline southeasterly to the centerline of Colony East Ditch Canal; thence southerly along said centerline to the south line of the Northwest Quarter of the Southeast Quarter of Section 7, said Township and Range; thence westerly along said south line to the northeast corner of the west half of the Southwest Quarter of said section; thence southerly along the east line of said west half to the south line of said Section; thence westerly along said line to the North Quarter corner of Section 18, said Township and Range; thence southerly along the north-south centerline of said Section and Section 19 to the south line of Section 19; thence westerly along said south line and the south line of Sections 24 & 23 & 22 & 21 in Township 11 south, Range 12 East to a point that is south 45 degrees west from said clump of cottonwood timber; thence south 45 degrees west to the eastern line of San Benito, forming the southwest corner; thence northwesterly, by said line of San Benito and Santa Clara, to the place of beginning.

SEC. 4.1. Section 23221 is added to the Government Code, to read:

23221. Any action to determine the validity of any minor change to the boundaries of a county pursuant to this article shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 4.3. Section 23296 is added to the Government Code, to read:

23296. Any action to determine the validity of any change, alteration, or reformation to the boundaries of a county pursuant to this article shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 4.5. Section 23302 is added to the Government Code, to read:

23302. Any action to determine the validity of the formation of a county pursuant to this chapter shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 4.7. Section 23503 is added to the Government Code, to read:

23503. Any action to determine the validity of the consolidation of counties pursuant to this chapter shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 4.9. Section 25214.2 of the Government Code is amended to read:

25214.2. (a) The board may accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the county service area.

(b) In addition to any other existing authority, the board may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5.

SEC. 5. Section 31010.5 of the Government Code is amended to read:

31010.5. (a) Service as a member of a governing board of a special district named in subdivision (b) shall not be considered an incompatible office with service on a municipal advisory council established pursuant to Section 31010.

(b) (1) A community services district established pursuant to the Community Services District Law (Division 3 (commencing with Section 61000) of Title 6).

(2) A recreation and park district established pursuant to the Recreation and Park District Law (Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code).

SEC. 6. Section 31479.1 of the Government Code is amended to read:

31479.1. Notwithstanding Section 31479, an elective or appointive county official may receive credit for service rendered as a city council member even though that service was not compensated.

This section shall not be operative in any county until it is adopted by a majority vote of the board of supervisors.

SEC. 7. Section 34873 of the Government Code is amended to read:

34873. An ordinance enacted pursuant to this article may be amended or repealed in the same manner; provided, the term of office of any council member elected shall not be affected.

SEC. 8. Section 34875 of the Government Code is amended to read:

34875. The amendatory ordinance shall not be submitted to the voters if (a) one or more of the legislative districts do not close, (b) one or more entire legislative districts are eliminated prior to the termination of the term of office of the council member of or from the district, (c) the effect is that a greater number of council members will be qualified to hold office concurrently than are authorized by this article or the amendatory ordinance.

SEC. 9. Section 34900 of the Government Code is amended to read:

34900. At any general municipal election, or at a special election held for that purpose, the city council may submit to the electors the question of whether electors shall thereafter elect a mayor and four city council members, and whether the mayor shall serve a two-year or four-year term. In cities presently having elected mayors, the city council may also submit to the electors the question of whether the mayor shall thereafter serve a two-year or a four-year term.

SEC. 10. Section 34901 of the Government Code is amended to read:

34901. The questions shall be printed on the ballots used at the election in substantially the following form:

“Shall the electors elect a mayor and four city council members?”

“Shall the term of office of mayor be two years?”

“Shall the term of office of mayor be four years?”

The words “Yes” and “No” and “two years” and “four years” shall be so printed on the ballots that the voters may express their choice. The term of office of mayor shall be that preferred by a majority of those voting on the proposition.

SEC. 11. Section 36508 of the Government Code is amended to read:

36508. At any municipal election, or a special election held for that purpose, the city council may submit to the electors the question whether the elective officers, or any of them except council members, shall be appointed by the city council; provided, however, that the city council shall not submit such question to the electors more often than once in an 11-month period.

SEC. 12. Section 36511 of the Government Code is amended to read:

36511. The petition for incorporation of a city may provide for the appointment of the elective officers, or any of them except council members. If it does, a separate election upon the question need not be held, and upon incorporation the city council shall appoint those officers.

SEC. 13. Section 36515 of the Government Code is amended to read:

36515. The compensation of a city council member appointed or elected to fill a vacancy is the same as that payable to the member whose office was vacated.

SEC. 14. Section 36516.1 of the Government Code is amended to read:

36516.1. A mayor elected pursuant to Sections 34900 to 34904, inclusive, may be provided with compensation in addition to that which he or she

receives as a council member. That additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election.

SEC. 15. Section 36516.5 of the Government Code is amended to read:

36516.5. A change in compensation does not apply to a council member during the council member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.

SEC. 16. Section 36804 of the Government Code is amended to read:

36804. If the city clerk is absent, the deputy city clerk shall act. If there is none, the mayor shall appoint one of the council members as city clerk pro tempore.

SEC. 17. Section 36811 of the Government Code is amended to read:

36811. If all council members are absent from any regular meeting, the city clerk shall declare the meeting adjourned to a stated day and hour. The city clerk shall cause a written notice of the adjournment to be delivered personally to each council member at least three hours before the adjourned meeting.

SEC. 17.5. Section 50271 of the Government Code is amended to read:

50271. When the mayor is unable to attend a meeting of a city selection committee, the mayor shall designate another member of the city's legislative body to attend and vote at the meeting as the mayor's representative.

SEC. 18. Section 56103.5 is added to the Government Code, to read:

56103.5. Any action brought in the superior court relating to this division may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7.

SEC. 18.5. Section 61116 of the Government Code is amended to read:

61116. (a) A district may accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district.

(b) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5.

SEC. 19. Section 65063.7 of the Government Code is amended to read:

65063.7. No supervisor, mayor, or city council member shall hold office on the regional planning board after ceasing to hold the office of supervisor, mayor, or city council member, respectively, and that person's membership on the board shall thereafter be considered vacant, except that any mayor who continues to hold office as a city council member, or city council member who continues to hold office as mayor, shall not be considered to have ceased to hold office under this section.

SEC. 20. Section 65107 is added to the Government Code, to read:

65107. Any action brought in the superior court relating to this chapter may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030).

SEC. 21. Section 65801 is added to the Government Code, to read:

65801. Any action brought in the superior court relating to this chapter may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030).

SEC. 22. Section 65920 of the Government Code is amended to read:

65920. (a) This chapter shall be known and may be cited as the Permit Streamlining Act.

(b) Notwithstanding any other provision of law, the provisions of this chapter shall apply to all public agencies to the extent specified in this chapter, except that the time limits specified in Division 2 (commencing with Section 66410) of Title 7 shall not be extended by operation of this chapter.

(c) Any action brought in the superior court relating to this chapter may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030).

SEC. 22.5. Section 65924 of the Government Code is repealed.

SEC. 23. Section 66000.5 of the Government Code is amended to read:

66000.5. (a) This chapter, Chapter 6 (commencing with Section 66010), Chapter 7 (commencing with Section 66012), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020) shall be known and may be cited as the Mitigation Fee Act.

(b) Any action brought in the superior court relating to the Mitigation Fee Act may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030).

SEC. 24. Section 66031 of the Government Code is amended to read:

66031. (a) Notwithstanding any other provision of law, any action brought in the superior court relating to any of the following subjects may be subject to a mediation proceeding conducted pursuant to this chapter:

(1) The approval or denial by a public agency of any development project.
(2) Any act or decision of a public agency made pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(3) The failure of a public agency to meet the time limits specified in Chapter 4.5 (commencing with Section 65920), commonly known as the Permit Streamlining Act, or in the Subdivision Map Act (Division 2 (commencing with Section 66410)).

(4) Fees determined pursuant to Chapter 6 (commencing with Section 17620) of Division 1 of Part 10.5 of the Education Code or Chapter 4.9 (commencing with Section 65995).

(5) Fees determined pursuant to the Mitigation Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6 (commencing with Section 66010), Chapter 7 (commencing with Section 66012), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020)).

(6) The adequacy of a general plan or specific plan adopted pursuant to Chapter 3 (commencing with Section 65100).

(7) The validity of any sphere of influence, urban service area, change of organization or reorganization, or any other decision made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5).

(8) The adoption or amendment of a redevelopment plan pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).

(9) The validity of any zoning decision made pursuant to Chapter 4 (commencing with Section 65800).

(10) The validity of any decision made pursuant to Article 3.5 (commencing with Section 21670) of Chapter 4 of Part 1 of Division 9 of the Public Utilities Code.

(b) Within five days after the deadline for the respondent or defendant to file its reply to an action, the court may invite the parties to consider resolving their dispute by selecting a mutually acceptable person to serve as a mediator, or an organization or agency to provide a mediator.

(c) In selecting a person to serve as a mediator, or an organization or agency to provide a mediator, the parties shall consider the following:

(1) The council of governments having jurisdiction in the county where the dispute arose.

(2) Any subregional or countywide council of governments in the county where the dispute arose.

(3) Any other person with experience or training in mediation including those with experience in land use issues, or any other organization or agency that can provide a person with experience or training in mediation, including those with experience in land use issues.

(d) If the court invites the parties to consider mediation, the parties shall notify the court within 30 days if they have selected a mutually acceptable person to serve as a mediator. If the parties have not selected a mediator within 30 days, the action shall proceed. The court shall not draw any implication, favorable or otherwise, from the refusal by a party to accept the invitation by the court to consider mediation. Nothing in this section shall preclude the parties from using mediation at any other time while the action is pending.

SEC. 25. Section 66499.38 is added to the Government Code, to read:

66499.38. Any action brought in the superior court relating to this division may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1.

SEC. 25.1. Section 2074 of the Health and Safety Code is amended to read:

2074. (a) A district may accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district.

(b) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with

Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 25.2. Section 9074 of the Health and Safety Code is amended to read:

9074. (a) A district may accept any grants, goods, money, property, revenue, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district.

(b) Except as provided by Section 9077, all moneys received or collected by a district shall be paid into a separate fund in the county treasury on or before the 10th day of the month following the month in which the district received or collected the money.

(c) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 25.3. Section 13897 of the Health and Safety Code is amended to read:

13897. A district may borrow money and incur indebtedness pursuant to the authority contained in Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859), of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 25.4. Section 32121 of the Health and Safety Code, as amended by Section 1 of Chapter 20 of the Statutes of 2007, is amended to read:

32121. Each local district shall have and may exercise the following powers:

(a) To have and use a corporate seal and alter it at its pleasure.

(b) To sue and be sued in all courts and places and in all actions and proceedings whatever.

(c) To purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district.

(d) To exercise the right of eminent domain for the purpose of acquiring real or personal property of every kind necessary to the exercise of any of the powers of the district.

(e) To establish one or more trusts for the benefit of the district, to administer any trust declared or created for the benefit of the district, to designate one or more trustees for trusts created by the district, to receive by gift, devise, or bequest, and hold in trust or otherwise, property, including corporate securities of all kinds, situated in this state or elsewhere, and

where not otherwise provided, dispose of the same for the benefit of the district.

(f) To employ legal counsel to advise the board of directors in all matters pertaining to the business of the district, to perform the functions in respect to the legal affairs of the district as the board may direct, and to call upon the district attorney of the county in which the greater part of the land in the district is situated for legal advice and assistance in all matters concerning the district, except that if that county has a county counsel, the directors may call upon the county counsel for legal advice and assistance.

(g) To employ any officers and employees, including architects and consultants, the board of directors deems necessary to carry on properly the business of the district.

(h) To prescribe the duties and powers of the health care facility administrator, secretary, and other officers and employees of any health care facilities of the district, to establish offices as may be appropriate and to appoint board members or employees to those offices, and to determine the number of, and appoint, all officers and employees and to fix their compensation. The officers and employees shall hold their offices or positions at the pleasure of the boards of directors.

(i) To do any and all things that an individual might do that are necessary for, and to the advantage of, a health care facility and a nurses' training school, or a child care facility for the benefit of employees of the health care facility or residents of the district.

(j) To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

"Health care facilities," as used in this subdivision, means those facilities defined in subdivision (b) of Section 32000.1 and specifically includes freestanding chemical dependency recovery units. "Health facilities," as used in this subdivision, may also include those facilities defined in subdivision (d) of Section 15432 of the Government Code.

(k) To do any and all other acts and things necessary to carry out this division.

(l) To acquire, maintain, and operate ambulances or ambulance services within and without the district.

(m) To establish, maintain, and operate, or provide assistance in the operation of, free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the district.

(n) To establish and operate in cooperation with its medical staff a coinsurance plan between the hospital district and the members of its attending medical staff.

(o) To establish, maintain, and carry on its activities through one or more corporations, joint ventures, or partnerships for the benefit of the health care district.

(p) (1) To transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets. A transfer pursuant to this paragraph shall be deemed to be at fair market value if an independent consultant, with expertise in methods of appraisal and valuation and in accordance with applicable governmental and industry standards for appraisal and valuation, determines that fair and reasonable consideration is to be received by the district for the transferred district assets. Before the district transfers, pursuant to this paragraph, 50 percent or more of the district's assets to one or more corporations, in sum or by increment, the elected board shall, by resolution, submit to the voters of the district a measure proposing the transfer. The measure shall be placed on the ballot of a special election held upon the request of the district or the ballot of the next regularly scheduled election occurring at least 88 days after the resolution of the board. If a majority of the voters voting on the measure vote in its favor, the transfer shall be approved. The campaign disclosure requirements applicable to local measures provided under Chapter 4 (commencing with Section 84100) of Title 9 of the Government Code shall apply to this election.

(2) To transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district, including, without limitation, real property, equipment, and other fixed assets, current assets, and cash, relating to the operation of the district's health care facilities to one or more nonprofit corporations to operate and maintain the assets.

(A) A transfer of 50 percent or more of the district's assets, in sum or by increment, pursuant to this paragraph shall be deemed to be for the benefit of the communities served by the district only if all of the following occur:

(i) The transfer agreement and all arrangements necessary thereto are fully discussed in advance of the district board decision to transfer the assets of the district in at least five properly noticed open and public meetings in compliance with Section 32106 and the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(ii) The transfer agreement provides that the hospital district shall approve all initial board members of the nonprofit corporation and any subsequent board members as may be specified in the transfer agreement.

(iii) The transfer agreement provides that all assets transferred to the nonprofit corporation, and all assets accumulated by the corporation during the term of the transfer agreement arising out of, or from, the operation of the transferred assets, are to be transferred back to the district upon

termination of the transfer agreement, including any extension of the transfer agreement.

(iv) The transfer agreement commits the nonprofit corporation to operate and maintain the district's health care facilities and its assets for the benefit of the communities served by the district.

(v) The transfer agreement requires that any funds received from the district at the outset of the agreement or any time thereafter during the term of the agreement be used only to reduce district indebtedness, to acquire needed equipment for the district health care facilities, to operate, maintain, and make needed capital improvements to the district's health care facilities, to provide supplemental health care services or facilities for the communities served by the district, or to conduct other activities that would further a valid public purpose if undertaken directly by the district.

(B) A transfer of 10 percent or more but less than 50 percent of the district's assets, in sum or by increment, pursuant to this paragraph shall be deemed to be for the benefit of the communities served by the district only if both of the following occur:

(i) The transfer agreement and all arrangements necessary thereto are fully discussed in advance of the district board decision to transfer the assets of the district in at least two properly noticed open and public meetings in compliance with Section 32106 and the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(ii) The transfer agreement meets all of the requirements of clauses (iii) to (v), inclusive, of subparagraph (A).

(C) Before the district transfers, pursuant to this paragraph, 50 percent or more of the district's assets to one or more nonprofit corporations, in sum or by increment, the elected board shall, by resolution, submit to the voters of the district a measure proposing the transfer. The measure shall be placed on the ballot of a special election held upon the request of the district or the ballot of the next regularly scheduled election occurring at least 88 days after the resolution of the board. If a majority of the voters voting on the measure vote in its favor, the transfer shall be approved. The campaign disclosure requirements applicable to local measures provided under Chapter 4 (commencing with Section 84100) of Title 9 of the Government Code shall apply to this election.

(D) Notwithstanding the other provisions of this paragraph, a hospital district shall not transfer any portion of its assets to a private nonprofit organization that is owned or controlled by a religious creed, church, or sectarian denomination in the absence of adequate consideration.

(3) If the district board has previously transferred less than 50 percent of the district's assets pursuant to this subdivision, before any additional assets are transferred, the board shall hold a public hearing and shall make a public determination that the additional assets to be transferred will not, in combination with any assets previously transferred, equal 50 percent or more of the total assets of the district.

(4) The amendments to this subdivision made during the 1991–92 Regular Session, and the amendments made to this subdivision and to Section 32126 made during the 1993–94 Regular Session, shall only apply to transfers made on or after the effective dates of the acts amending this subdivision. The amendments to this subdivision made during those sessions shall not apply to either of the following:

(A) A district that has discussed and adopted a board resolution prior to September 1, 1992, that authorizes the development of a business plan for an integrated delivery system.

(B) A lease agreement, transfer agreement, or both between a district and a nonprofit corporation that were in full force and effect as of September 1, 1992, for as long as that lease agreement, transfer agreement, or both remain in full force and effect.

(5) Notwithstanding paragraph (4), if substantial amendments are proposed to be made to a transfer agreement described in subparagraph (A) or (B) of paragraph (4), the amendments shall be fully discussed in advance of the district board's decision to adopt the amendments in at least two properly noticed open and public meetings in compliance with Section 32106 and the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(6) Notwithstanding paragraphs (4) and (5), a transfer agreement described in subparagraph (A) or (B) of paragraph (4) that provided for the transfer of less than 50 percent of a district's assets shall be subject to the requirements of this subdivision when subsequent amendments to that transfer agreement would result in the transfer, in sum or by increment, of 50 percent or more of a district's assets to the nonprofit corporation.

(7) For purposes of this subdivision, a "transfer" means the transfer of ownership of the assets of a district. A lease of the real property or the tangible personal property of a district shall not be subject to this subdivision except as specified in Section 32121.4 and as required under Section 32126.

(8) Districts that request a special election pursuant to paragraph (1) or (2) shall reimburse counties for the costs of that special election as prescribed pursuant to Section 10520 of the Elections Code.

(9) (A) Nothing in this section, including subdivision (j), shall be construed to permit a local district to obtain or be issued a single consolidated license to operate a separate physical plant as a skilled nursing facility or an intermediate care facility that is not located within the boundaries of the district.

(B) Notwithstanding subparagraph (A), Eastern Plumas Health Care District may obtain and be issued a single consolidated license to operate a separate physical plant as a skilled nursing facility or an intermediate care facility that is located on the campus of the Sierra Valley District Hospital. This subparagraph shall have no application to any other district and is intended only to address the urgent need to preserve skilled nursing or intermediate care services within the rural County of Sierra.

(C) Subparagraph (B) shall only remain operative until the Sierra Valley District Hospital is annexed by the Eastern Plumas Health Care District. In

no event shall the Eastern Plumas Health Care District increase the number of licensed beds at the Sierra Valley District Hospital during the operative period of subparagraph (B).

(10) A transfer of any of the assets of a district to one or more nonprofit corporations to operate and maintain the assets shall not be required to meet paragraphs (1) to (9), inclusive, of this subdivision if all of the following conditions apply at the time of the transfer:

(A) The district has entered into a loan that is insured by the State of California under Chapter 1 (commencing with Section 129000) of Part 6 of Division 107.

(B) The district is in default of its loan obligations, as determined by the Office of Statewide Health Planning and Development.

(C) The Office of Statewide Health Planning and Development and the district, in their best judgment, agree that the transfer of some or all of the assets of the district to a nonprofit corporation or corporations is necessary to cure the default, and will obviate the need for foreclosure. This cure of default provision shall be applicable prior to the office foreclosing on district hospital assets. After the office has foreclosed on district hospital assets, or otherwise taken possession in accordance with law, the office may exercise all of its powers to deal with and dispose of hospital property.

(D) The transfer and all arrangements necessary thereto are discussed in advance of the transfer in at least one properly noticed open and public meeting in compliance with Section 32106 and the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code). The meeting referred to in this paragraph shall be noticed and held within 90 days of notice in writing to the district by the office of an event of default. If the meeting is not held within this 90-day period, the district shall be deemed to have waived this requirement to have a meeting.

(11) If a transfer under paragraph (10) is a lease, the lease shall provide that the assets shall revert to the district at the conclusion of the leasehold interest. If the transfer is a sale, the proceeds shall be used first to retire the obligation insured by the office, then to retire any other debts of the district. After providing for debts, any remaining funds shall revert to the district.

(12) A health care district shall report to the Attorney General, within 30 days of any transfer of district assets to one or more nonprofit or for-profit corporations, the type of transaction and the entity to whom the assets were transferred or leased.

(q) To contract for bond insurance, letters of credit, remarketing services, and other forms of credit enhancement and liquidity support for its bonds, notes, and other indebtedness and to enter into reimbursement agreements, monitoring agreements, remarketing agreements, and similar ancillary contracts in connection therewith.

(r) To establish, maintain, operate, participate in, or manage capitated health care service plans, health maintenance organizations, preferred provider organizations, and other managed health care systems and programs properly licensed by the Department of Insurance or the Department of

Managed Care, at any location within or without the district for the benefit of residents of communities served by the district. However, that activity shall not be deemed to result in, or constitute, the giving or lending of the district's credit, assets, surpluses, cash, or tangible goods to, or in aid of, any person, association, or corporation in violation of Section 6 of Article XVI of the California Constitution.

Nothing in this section shall be construed to authorize activities that corporations and other artificial legal entities are prohibited from conducting by Section 2400 of the Business and Professions Code.

Any agreement to provide health care coverage that is a health care service plan, as defined in subdivision (f) of Section 1345, shall be subject to Chapter 2.2 (commencing with Section 1340) of Division 2, unless exempted pursuant to Section 1343 or 1349.2.

A district shall not provide health care coverage for any employee of an employer operating within the communities served by the district, unless the Legislature specifically authorizes, or has authorized in this section or elsewhere, the coverage.

Nothing in this section shall be construed to authorize any district to contribute its facilities to any joint venture that could result in transfer of the facilities from district ownership.

(s) To provide health care coverage to members of the district's medical staff, employees of the medical staff members, and the dependents of both groups, on a self-pay basis.

SEC. 25.5. Section 32121 of the Health and Safety Code, as amended by Section 2 of Chapter 20 of the Statutes of 2007, is repealed.

SEC. 25.6. Section 32126 of the Health and Safety Code, as amended by Section 4 of Chapter 194 of the Statutes of 2005, is amended to read:

32126. (a) The board of directors may provide for the operation and maintenance through tenants of the whole or any part of any hospital acquired or constructed by it pursuant to this division, and for that purpose may enter into any lease agreement that it believes will best serve the interest of the district. A lease entered into with one or more corporations for the operation of 50 percent or more of the district's hospital, or that is part of, or contingent upon, a transfer of 50 percent or more of the district's assets, in sum or by increment, as described in subdivision (p) of Section 32121, shall be subject to the requirements of subdivision (p) of Section 32121. Any lease for the operation of any hospital shall require the tenant or lessee to conform to, and abide by, Section 32128. No lease for the operation of an entire hospital shall run for a term in excess of 30 years. No lease for the operation of less than an entire hospital shall run for a term in excess of 10 years.

(b) Notwithstanding any other provision of law, a sublease, an assignment of an existing lease, or the release of a tenant or lessee from obligations under an existing lease in connection with an assignment of an existing lease shall not be subject to the requirements of subdivision (p) of Section 32121 so long as all of the following conditions are met:

(1) The sublease or assignment of the existing lease otherwise remains in compliance with subdivision (a).

(2) The district board determines that the total consideration that the district shall receive following the assignment or sublease, or as a result thereof, taking into account all monetary and other tangible and intangible consideration to be received by the district including, without limitation, all benefits to the communities served by the district, is no less than the total consideration that the district would have received under the existing lease.

(3) The existing lease was entered into on or before July 1, 1984, upon approval of the board of directors following solicitation and review of no less than five offers from prospective tenants.

(4) If substantial amendments are made to an existing lease in connection with the sublease or assignment of that existing lease, the amendments shall be fully discussed in advance of the district board's decision to adopt the amendments in at least two properly noticed open and public meetings in compliance with Section 32106 and the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(c) A health care district shall report to the Attorney General, within 30 days of any lease of district assets to one or more corporations, the type of transaction and the entity to whom the assets were leased.

SEC. 25.7. Section 32126 of the Health and Safety Code, as added by Section 5 of Chapter 194 of the Statutes of 2005, is repealed.

SEC. 26. Section 33080.2 of the Health and Safety Code is amended to read:

33080.2. (a) When the agency presents the annual report to the legislative body pursuant to Section 33080.1, the agency shall inform the legislative body of any major audit violations of this part based on the independent financial audit report. The agency shall inform the legislative body that the failure to correct a major audit violation of this part may result in the filing of an action by the Attorney General pursuant to Section 33080.8.

(b) The legislative body shall review any report submitted pursuant to Section 33080.1 and take any action it deems appropriate on that report no later than the first meeting of the legislative body occurring more than 21 days from the receipt of the report.

SEC. 26.5. Section 33445.1 of the Health and Safety Code is amended to read:

33445.1. (a) Notwithstanding Section 33440, an agency may, with the consent of the legislative body, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located outside and not contiguous to the project area, but is located within the community, if the legislative body finds, based on substantial evidence in the record, all of the following:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of primary benefit to the project area.

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the project area by helping to eliminate blight within the project area, or will directly assist in the provision of housing for low- or moderate-income persons.

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). In determining whether other means of financing are feasible, the legislative body may take into account any relevant factors, including, but not limited to:

(A) Legal factors, such as the eligibility of the improvements for funding under the governing statutes.

(B) Economic factors, such as prevailing interest rates and market conditions.

(C) Political factors, such as the priority of commitments of other public funding sources, the ability or willingness of property owners or taxpayers to bear the cost of any special assessments, taxes, or other charges, and the likelihood of obtaining voter approval, if required.

(4) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490.

(5) The acquisition of land and the installation of each building, facility, structure, or improvement that is publicly owned is provided for in the redevelopment plan.

(b) An agency shall not pay for the normal maintenance or operations of buildings, facilities, structures, or other improvements that are publicly owned. Normal maintenance or operations do not include the construction, expansion, addition to, or reconstruction of, buildings, facilities, structures, or other improvements that are publicly owned otherwise undertaken pursuant to this section.

(c) An action to challenge the findings required by this section shall be filed and served within 60 days after the date of the resolution containing the findings.

(d) The provisions of this section shall not apply and the provisions of Section 33445 shall apply if the financing, construction, or installation of the land, buildings, facilities, structures, or other improvements is an obligation of the agency under a contract existing on December 31, 2009, specifically described in the implementation plan prepared by the agency

as of July 1, 2009, pursuant to Section 33490, or specifically provided for in the redevelopment plan as of December 31, 2009.

SEC. 27. Section 33501.9 is added to the Health and Safety Code, to read:

33501.9. Any action brought in the superior court relating to the adoption or amendment of a redevelopment plan may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7 of the Government Code.

SEC. 28. Section 40225 of the Health and Safety Code is amended to read:

40225. No supervisor, mayor, or city council member shall hold office on the bay district board for a period of more than three months after ceasing to hold the office of supervisor, mayor, or city council member, respectively, and his or her membership on the bay district board shall thereafter be considered vacant, except that any mayor who continues to hold office as a city council member, or any city council member who continues to hold office as a mayor, shall not be considered to have ceased to hold office under this section.

SEC. 29. Section 40326 of the Health and Safety Code is amended to read:

40326. No supervisor, mayor, or city council member shall hold office on a regional district board for a period of more than three months after ceasing to hold the office of supervisor, mayor, or city council member, respectively, and his or her membership on the regional district board shall thereafter be considered vacant, except that any mayor who continues to hold office as a city council member, or any city council member who continues to hold office as a mayor, shall not be considered to have ceased to hold office under this section.

SEC. 29.3. Section 40526 of the Health and Safety Code is amended to read:

40526. (a) The south coast district board may borrow money and incur indebtedness in anticipation of the revenue for the current year in which the indebtedness is incurred or for the ensuing year. Such indebtedness shall not exceed the total amount of the estimated revenue for either the current year or the ensuing year.

(b) In addition to any other existing authority, the district may borrow money and incur indebtedness pursuant to Article 7.4 (commencing with Section 53835) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 29.5. Section 40751 of the Health and Safety Code is amended to read:

40751. Subject to the direction of the district board, the air pollution control officer shall appoint district personnel, including any deputies necessary for the prompt and faithful discharge of the air pollution control officer's duties.

SEC. 29.7. Section 116183 of the Health and Safety Code is amended to read:

116183. (a) The Legislature finds and declares that cooperative agreements between the State Department of Public Health and local vector control districts help to ensure that all state and federal requirements regarding the use of pesticides are met and provide participating agencies with the flexibility to perform their legally mandated role to control mosquito and other public health vectors.

(b) To ensure public health and safety, any state or local agency responding to an outbreak of West Nile virus or other mosquito-borne disease with an abatement and surveillance program shall, and any federal agency so responding is encouraged to, contract with a local mosquito and vector control agency that is party to a cooperative agreement with the State Department of Public Health or shall consult directly with the State Department of Public Health to ensure that outbreak response is supervised appropriately and conducted by licensed personnel using sound integrated mosquito management techniques.

(c) For the purposes of this section, “outbreak” means the occurrence of cases of a disease or illness above the expected or baseline level, usually over a given period of time, in a geographic area or facility, or in a specific population group. The number of cases indicating the presence of an outbreak will vary according to the disease agent, size and type of population exposed, previous exposure to the agent, and the time and place of exposure.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.

SEC. 30. Section 117065 of the Health and Safety Code is amended to read:

117065. The public agency shall cause a copy of the rules and regulations to be posted upon the area opened to public fishing and other recreational uses, and it shall cause the rules and regulations to be published at least once in a newspaper of general circulation published in the county in which the reservoir is in whole or in part situated, if there be a newspaper, otherwise in a newspaper of general circulation published within the area of the public agency. If a public agency amends its rules and regulations, the public agency shall similarly publish a summary of its amended rules and regulations, along with an Internet address and the physical location where the complete text of the amended rules and regulations may be viewed. Posting and publication shall be sufficient notice to all persons. The affidavit of the secretary, clerk, or corresponding officer of the public agency that the rules and regulations have been so posted and published is prima facie evidence thereof. A copy of the rules and regulations, attested by the secretary, clerk, or corresponding officer of the public agency shall be prima facie evidence that the regulations have been made by the public agency as provided by law.

SEC. 31. Section 20142 of the Public Contract Code is amended to read:

20142. (a) The board of supervisors may, by ordinance, resolution, or board order, authorize the county engineer, or other county officer, to order changes or additions in the work being performed under construction

contracts. When so authorized, any change or addition in the work shall be ordered in writing by the county engineer, or other designated officer, and the extra cost to the county for any change or addition to the work so ordered shall not exceed five thousand dollars (\$5,000) when the total amount of the original contract does not exceed fifty thousand dollars (\$50,000), nor 10 percent of the amount of any original contract that exceeds fifty thousand dollars (\$50,000), but does not exceed two hundred fifty thousand dollars (\$250,000).

(b) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any such change or alteration exceed two hundred ten thousand dollars (\$210,000).

SEC. 32. Section 20405 of the Public Contract Code is amended to read:

20405. (a) The board shall afford all bidders an opportunity to examine the plans, specifications, and working details, and shall award the contract to the lowest responsible bidder. The board may provide by resolution that the bids be opened, examined, and declared by an officer designated in the resolution. The resolution shall require that the bids be opened at a public meeting called by the officer and that the results of the bidding be reported to the board at a subsequent regular board meeting. The notice inviting bids shall state the time and place of the public meeting and the name of the designated officer.

(b) All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

- (1) Cash.
- (2) A cashier's check made payable to the county.
- (3) A certified check made payable to the county.
- (4) A bidder's bond executed by an admitted surety insurer, made payable to the county.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the county beyond 60 days from the time the award is made.

(c) The person to whom the contract is awarded shall execute a bond, approved by the board, for the faithful performance of the contract. The person shall perform the work in accordance with the plans, specifications, and working details, unless all or any of them are modified by a four-fifths vote of the members of the board. In that case, if the cost of the work is reduced by reason of the modification, the person to whom the contract is awarded shall make an allowance on the contract price to the extent of the reduction.

(d) In any county that has appointed a road commissioner pursuant to Section 2006 of the Streets and Highways Code, or in any county that has abolished the office of road commissioner and complied with Section 2006.1 of the Streets and Highways Code, the board may authorize the road

commissioner, or a registered civil engineer under the direction of the county director of transportation, to execute changes or additions to the work for any contract made pursuant to this article in an amount not to exceed:

(1) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(2) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(3) For contracts whose original cost is two hundred fifty thousand dollars (\$250,000) or more, the amount of the change or addition shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

SEC. 33. Section 20614 is added to the Public Contract Code, to read:

20614. The board of supervisors and the board of directors of the district, if any, may, by ordinance, resolution, or board order, authorize the general manager or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(a) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(b) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(c) For contracts whose original cost is two hundred fifty thousand dollars (\$250,000) or more, the amount of the change or addition shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

SEC. 34. Section 20688.6 of the Public Contract Code is amended to read:

20688.6. (a) (1) Notwithstanding any other law, an agency, with approval of its duly constituted board in a public hearing, may utilize an alternative procedure for bidding on projects in the community in excess of one million dollars (\$1,000,000) and may award the project using either the lowest responsible bidder or by best value.

(2) Only 10 design-build projects shall be authorized under this section.

(b) (1) It is the intent of the Legislature to enable entities as provided in Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code to utilize design-build for those infrastructure improvements authorized in Sections 33421, 33445, and 33445.1 of the Health and Safety

Code and subject to the limitations on that authority described in Section 33421.1 of the Health and Safety Code.

(2) The Legislature also finds and declares that utilizing a design-build contract requires a clear understanding of the roles and responsibilities of each participant in the design-build process.

(3) (A) For contracts awarded prior to the effective date of either the regulations adopted by the Department of Industrial Relations pursuant to subdivision (b) of Section 1771.55 of the Labor Code or the fees established by the department pursuant to subparagraph (B), if the board elects to proceed under this section, the board shall establish and enforce for design-build projects a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code, or it shall contract with a third party to operate a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code. This requirement shall not apply to any project where the agency or the design-build entity has entered into any collective bargaining agreement or agreements that bind all of the contractors performing work on the projects.

(B) For contracts awarded on or after the effective date of both the regulations adopted by the Department of Industrial Relations pursuant to subdivision (b) of Section 1771.55 of the Labor Code and the fees established by the department pursuant to this subparagraph, if the board elects to proceed under this section it shall pay a fee to the department, in an amount that the department shall establish, and as it may from time to time amend, sufficient to support the department's costs in ensuring compliance with and enforcing prevailing wage requirements on the project, and labor compliance enforcement as set forth in subdivision (b) of Section 1771.55 of the Labor Code. All fees collected pursuant to this subdivision shall be deposited in the State Public Works Enforcement Fund, created by Section 1771.3 of the Labor Code, and shall be used only for enforcement of prevailing wage requirements on those projects.

(C) The Department of Industrial Relations may waive the fee set forth in subdivision (b) for a board that has previously been granted approval by the director to initiate and operate a labor compliance program on its projects, and that requests to continue to operate the labor compliance program on its projects in lieu of labor compliance by the department pursuant to subdivision (b) of Section 1771.55. This fee shall not be waived for a board that contracts with a third party to initiate and enforce labor compliance programs on the board's projects.

(c) As used in this section:

(1) "Best value" means a value determined by objective criteria related to price, features, functions, and life-cycle costs.

(2) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(3) "Design-build entity" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(4) “Project” means those infrastructure improvements authorized in Sections 33421, 33445, and 33445.1 of the Health and Safety Code and subject to the limitations and conditions on that authority described in Article 10 (commencing with Section 33420) and Article 11 (commencing with Section 33430) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code.

(d) Design-build projects shall progress in a four-step process, as follows:

(1) (A) The agency shall prepare a set of documents setting forth the scope of the project. The documents may include, but are not limited to, the size, type, and desired design character of the public improvement, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately the agency’s needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(B) Any architect or engineer retained by the agency to assist in the development of the project specific documents shall not be eligible to participate in the preparation of a bid with any design-build entity for that project.

(2) (A) Based on the documents prepared as described in paragraph (1), the agency shall prepare a request for proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the agency. The request for proposals shall include, but is not limited to, the following elements:

(i) Identification of the basic scope and needs of the project or contract, the expected cost range, and other information deemed necessary by the agency to inform interested parties of the contracting opportunity, to include the methodology that will be used by the agency to evaluate proposals and specifically if the contract will be awarded to the lowest responsible bidder.

(ii) Significant factors that the agency reasonably expects to consider in evaluating proposals, including cost or price and all nonprice-related factors.

(iii) The relative importance of the weight assigned to each of the factors identified in the request for proposals.

(B) With respect to clause (iii) of subparagraph (A), if a nonweighted system is used, the agency shall specifically disclose whether all evaluation factors other than cost or price when combined are:

(i) Significantly more important than cost or price.

(ii) Approximately equal in importance to cost or price.

(iii) Significantly less important than cost or price.

(C) If the agency chooses to reserve the right to hold discussions or negotiations with responsive bidders, it shall so specify in the request for proposal and shall publish separately or incorporate into the request for proposal applicable rules and procedures to be observed by the agency to ensure that any discussions or negotiations are conducted in good faith.

(3) (A) The agency shall establish a procedure to prequalify design-build entities using a standard questionnaire developed by the agency. In preparing the questionnaire, the agency shall consult with the construction industry,

including representatives of the building trades and surety industry. This questionnaire shall require information including, but not limited to, all of the following:

(i) If the design-build entity is a partnership, limited partnership, or other association, a listing of all of the partners, general partners, or association members known at the time of bid submission who will participate in the design-build contract, including, but not limited to, mechanical subcontractors.

(ii) Evidence that the members of the design-build entity have completed, or demonstrated the experience, competency, capability, and capacity to complete, projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, as well as a financial statement that assures the agency that the design-build entity has the capacity to complete the project.

(iii) The licenses, registration, and credentials required to design and construct the project, including information on the revocation or suspension of any license, credential, or registration.

(iv) Evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(v) Any prior serious or willful violation of the California Occupational Safety and Health Act of 1973, contained in Part 1 (commencing with Section 6300) of Division 5 of the Labor Code, or the federal Occupational Safety and Health Act of 1970 (P.L. 91-596), settled against any member of the design-build entity, and information concerning workers' compensation experience history and worker safety program.

(vi) Information concerning any debarment, disqualification, or removal from a federal, state, or local government public works project. Any instance in which an entity, its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive, or were found by an awarding body not to be a responsible bidder.

(vii) Any instance in which the entity, or its owners, officers, or managing employees, defaulted on a construction contract.

(viii) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), including alleged violations of federal or state law including the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or of Federal Insurance Contributions Act (FICA) withholding requirements settled against any member of the design-build entity.

(ix) Information concerning the bankruptcy or receivership of any member of the design-build entity, including information concerning any work completed by a surety.

(x) Information concerning all settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the design-build entity during the five years preceding submission of a bid

pursuant to this section, in which the claim, settlement, or judgment exceeds fifty thousand dollars (\$50,000). Information shall also be provided concerning any work completed by a surety during this period.

(xi) In the case of a partnership, joint venture, or an association that is not a legal entity, a copy of the agreement creating the partnership or association and specifying that all general partners, joint venturers, or association members agree to be fully liable for the performance under the design-build contract.

(B) The information required pursuant to this subdivision shall be verified under oath by the entity and its members in the manner in which civil pleadings in civil actions are verified. Information that is not a public record pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall not be open to public inspection.

(4) The agency shall establish a procedure for final selection of the design-build entity. Selection shall be based on either of the following criteria:

(A) A competitive bidding process resulting in lump-sum bids by the prequalified design-build entities. Awards shall be made to the lowest responsible bidder.

(B) An agency may use a design-build competition based upon best value and other criteria set forth in paragraph (2). The design-build competition shall include the following elements:

(i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. However, the following minimum factors shall each represent at least 10 percent of the total weight of consideration given to all criteria factors: price, technical design and construction expertise, life-cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record.

(ii) Once the evaluation is complete, the top three responsive bidders shall be ranked sequentially from the most advantageous to the least.

(iii) The award of the contract shall be made to the responsible bidder whose proposal is determined, in writing, to be the most advantageous.

(iv) Notwithstanding any provision of this code, upon issuance of a contract award, the agency shall publicly announce its award, identifying the contractor to whom the award is made, along with a written decision supporting its contract award and stating the basis of the award. The notice of award shall also include the agency's second- and third-ranked design-build entities.

(v) For purposes of this paragraph, skilled labor force availability shall be determined by the existence of an agreement with a registered apprenticeship program, approved by the California Apprenticeship Council, which has graduated apprentices in each of the preceding five years. This graduation requirement shall not apply to programs providing apprenticeship training for any craft that has been deemed by the Department of Labor and the Department of Industrial Relations to be an apprenticeable craft in the five years prior to enactment of this act.

(vi) For purposes of this paragraph, a bidder's safety record shall be deemed acceptable if its experience modification rate for the most recent three-year period is an average of 1.00 or less, and its average total recordable injury/illness rate and average lost work rate for the most recent three-year period does not exceed the applicable statistical standards for its business category or if the bidder is a party to an alternative dispute resolution system as provided for in Section 3201.5 of the Labor Code.

(e) (1) Any design-build entity that is selected to design and build a project pursuant to this section shall possess or obtain sufficient bonding to cover the contract amount for nondesign services, and errors and omission insurance coverage sufficient to cover all design and architectural services provided in the contract. This section does not prohibit a general or engineering contractor from being designated the lead entity on a design-build entity for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.

(2) Any payment or performance bond written for the purposes of this section shall be written using a bond form developed by the agency.

(f) All subcontractors that were not listed by the design-build entity in accordance with clause (i) of subparagraph (A) of paragraph (3) of subdivision (d) shall be awarded by the design-build entity in accordance with the design-build process set forth by the agency in the design-build package. All subcontractors bidding on contracts pursuant to this section shall be afforded the protections contained in Chapter 4 (commencing with Section 4100) of Part 1. The design-build entity shall do both of the following:

(1) Provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of the agency.

(2) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with the procedure established pursuant to this section.

(g) The minimum performance criteria and design standards established pursuant to paragraph (1) of subdivision (d) shall be adhered to by the design-build entity. Any deviations from those standards may only be allowed by written consent of the agency.

(h) The agency may retain the services of a design professional or construction project manager, or both, throughout the course of the project in order to ensure compliance with this section.

(i) Contracts awarded pursuant to this section shall be valid until the project is completed.

(j) Nothing in this section is intended to affect, expand, alter, or limit any rights or remedies otherwise available at law.

(k) (1) If the agency elects to award a project pursuant to this section, retention proceeds withheld by the agency from the design-build entity shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(2) In a contract between the design-build entity and the subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the agency and the design-build entity. If the design-build entity provides written notice to any subcontractor who is not a member of the design-build entity, prior to or at the time the bid is requested, that a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the design-build entity, then the design-build entity may withhold retention proceeds in excess of the percentage specified in the contract between the agency and the design-build entity from any payment made by the design-build entity to the subcontractor.

(l) Each agency that elects to proceed under this section and uses the design-build method on a public works project shall submit to the Legislative Analyst's Office before December 1, 2014, a report containing a description of each public works project procured through the design-build process after January 1, 2010, and before November 1, 2014. The report shall include, but shall not be limited to, all of the following information:

- (1) The type of project.
- (2) The gross square footage of the project.
- (3) The design-build entity that was awarded the project.
- (4) Where appropriate, the estimated and actual length of time to complete the project.
- (5) The estimated and actual project costs.
- (6) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including the resolution of the protests.
- (7) An assessment of the prequalification process and criteria.
- (8) An assessment of the effect of retaining 5-percent retention on the project.
- (9) A description of the labor force compliance program and an assessment of the project impact, where required.
- (10) A description of the method used to award the contract. If best value was the method, the report shall describe the factors used to evaluate the bid, including the weighting of each factor and an assessment of the effectiveness of the methodology.
- (11) An assessment of the project impact of skilled labor force availability.
- (12) An assessment of the design-build dollar limits on agency projects. This assessment shall include projects where the agency wanted to use design-build and was precluded by the dollar limitation. This assessment shall also include projects where the best value method was not used due to dollar limitations.
- (13) An assessment of the most appropriate uses for the design-build approach.

(m) (1) In order to comply with paragraph (2) of subdivision (a), the State Public Works Board is required to maintain the list of agencies that have applied and are eligible to be qualified for this authority.

(2) Each agency that is interested in proceeding under the authority in this section must apply to the State Public Works Board. The application to proceed shall be in writing and contain such information that the State Public Works Board may require.

(3) The State Public Works Board shall approve or deny an application, in writing, within 90 days of the submission of a complete application. The authority to deny an application shall only be exercised if the condition set forth in paragraph (2) of subdivision (a) has been satisfied.

(4) An agency that has applied for this authorization shall, after it determines it no longer is interested in using this authority, notify the State Public Works Board in writing within 30 days of its determination. Upon notification, the State Public Works Board may contact any previous applicants, denied pursuant to paragraph (2) of subdivision (a), to inform them of the availability to proceed under this section.

(5) The State Public Works Board may authorize no more than 10 projects. The board shall not authorize or approve more than two projects for any one eligible redevelopment agency that submits a completed application.

(6) The State Public Works Board shall notify the Legislative Analyst's Office when 10 projects have been approved.

(n) On or before January 1, 2015, the Legislative Analyst shall report to the Legislature on the use of the design-build method by agencies pursuant to this section, including the information listed in subdivision (l). The report may include recommendations for modifying or extending this section.

(o) Except as provided in this section, nothing in this act shall be construed to affect the application of any other law.

(p) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 35. Section 20998 is added to the Public Contract Code, to read:

20998. The board of supervisors of the district may, by ordinance, resolution, or board order, authorize the chief engineer or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(a) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(b) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(c) For contracts whose original cost is two hundred fifty thousand dollars (\$250,000) or more, the amount of the change or addition shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the

cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

SEC. 35.5. Section 5788.17 of the Public Resources Code is amended to read:

5788.17. (a) A district may accept any revenue, money, grants, goods, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district.

(b) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.4 (commencing with Section 53835), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 36. Section 21167.9 is added to the Public Resources Code, to read:

21167.9. Any action brought in the superior court relating to this division may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7 of the Government Code.

SEC. 37. Section 21670.6 is added to the Public Utilities Code, to read:

21670.6. Any action brought in the superior court relating to this article may be subject to a mediation proceeding conducted pursuant to Chapter 9.3 (commencing with Section 66030) of Division 1 of Title 7 of the Government Code.

SEC. 37.3. Section 29236 is added to the Public Utilities Code, to read:

29236. In addition to any other existing authority, the district may borrow money and incur indebtedness pursuant to Article 7.4 (commencing with Section 53835) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 37.5. Section 99.02 of the Revenue and Taxation Code is amended to read:

99.02. (a) For the purposes of the computations required by this chapter for the 1985–86 fiscal year and fiscal years thereafter, in the case of any transfer of property tax revenues between local agencies that is adopted and approved in conformity with subdivisions (b) and (c), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for those local agencies whose allocation would be altered by the transfer.

(b) Commencing with the 1985–86 fiscal year, any local agency may, by the adoption of a resolution of its governing body or governing board, determine to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same tax rate area or tax rate areas. Upon the local agency's adoption of the resolution, the local agency shall notify the board

of supervisors of the county or the city council of the city within which the transfer of property tax revenues is proposed.

(c) If the board of supervisors or the city council concurs with the proposed transfer of property tax revenue, the board or council shall, by resolution, notify the county auditor of the approved transfer.

(d) Upon receipt of notification from the board of supervisors or the city council, the county auditor shall make the necessary adjustments specified in subdivision (a).

(e) Prior to the adoption or approval by any local agency of a transfer of property tax revenues pursuant to this section, each local agency that will be affected by the proposed transfer shall hold a public hearing to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues. Notice of the hearing shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within each affected local agency.

(f) No local agency shall transfer property tax revenue pursuant to this section unless each of the following conditions exists:

(1) The transferring agency determines that revenues are available for this purpose.

(2) The transfer will not result in any increase in the ratio between the amount of revenues of the transferring agency that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues of the transferring agency used to finance services provided by the transferring agency.

(3) The transfer will not impair the ability of the transferring agency to provide existing services.

(4) The transfer will not result in a reduction of property tax revenues to school entities.

SEC. 38. Section 35424 of the Water Code is amended to read:

35424. After equitable rules and regulations for the distribution of water have been published once a week for two weeks in a newspaper of general circulation published in each affected county, any violation thereof is a misdemeanor and the violator shall, upon conviction thereof, be subject to a fine of not less than fifty dollars (\$50) and not more than two hundred dollars (\$200). When equitable rules and regulations for the distribution of water are amended, the district may publish a summary of the amendments to the rules and regulations with an Internet address and a physical location where the complete text of the amended rules and regulations may be viewed.

SEC. 39. Section 50655 of the Water Code is amended to read:

50655. The board may adopt and alter a seal.

SEC. 40. Section 50656 of the Water Code is amended to read:

50656. All documents requiring approval by the board shall bear the signature of either a trustee or the secretary.

SEC. 41. Section 3.2 of the North Delta Water Agency Act (Chapter 283 of the Statutes of 1973) is amended to read:

SEC. 3.2. The board shall consist of five members, one from each of the five divisions in the agency, and each of whom shall be an owner of real

property, or the legal representative of real property, within the respective division he or she represents. The board members shall be elected by divisions, elected only by the voters of that division, and not at large.

SEC. 42. The amendment of Sections 25214.2 and 61116 of the Government Code, Sections 2074, 9074, 13897, and 40526 of the Health and Safety Code, and Section 5788.17 of the Public Resources Code, and the addition of Section 29236 to the Public Utilities Code made by this act do not constitute changes in, but are declaratory of, existing law.