

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2188 (Pellerin) – As Amended April 16, 2026

SUBJECT: Regional park and open-space districts: Midpeninsula Regional Open Space District.

SUMMARY: Allows the general manager of the Midpeninsula Regional Open Space District (Midpen) to bind the district for the payment of equipment, supplies, materials, labor, or other valuable consideration for any purpose without advertising in amounts not exceeding \$150,000. Specifically, **this bill:**

- 1) Allows Midpen's general manager, with the approval of the board, to bind the district, in accordance with board policy that has been adopted in an open meeting, and without advertising, for the payment of equipment, supplies, materials, labor, or other valuable consideration for any purpose, including new construction of a building, structure, or improvement, in amounts not exceeding \$150,000.
- 2) Requires all expenditures authorized pursuant to 1), above, to be reported to the board of directors at its next regular meeting.
- 3) Requires, if the board delegates authority in the manner specified in 1), above, for a contract for the construction, completion, maintenance, or repair of any building, structure, or improvement, the decision by Midpen's general manager shall be binding on the district. Nothing in this provision invalidates any existing protest and grievance procedures regarding that decision.
- 4) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique financial situations of Midpen affected by this bill.

EXISTING LAW:

- 1) Allows the general manager of a regional park and open space district (RPOSD), with the approval of its board, to bind the district, in accordance with board policy that has been adopted in an open meeting, and without advertising, for the payment for supplies, materials, labor, or other valuable consideration for any purpose, including new construction of a building, structure, or improvement, in amounts not exceeding \$50,000. All expenditures shall be reported to the board of directors at its next regular meeting. [Public Resources Code (PRC) 5549]
- 2) Allows a RPOSD, by action of the board in an open meeting, to increase the amount by which the general manager may bind the district above the \$50,000 limit established pursuant to 1), above. Such an increase shall not exceed an amount equal to 2%, for each fiscal year following the operative date of the last adjustment, of the amount in effect when the board's action is adopted. (PRC 5549)

- 3) Allows, in a RPOSD with a population of 200,000 or more, and with the approval of the board, the general manager to bind the district, in accordance with board policy that has been adopted in an open meeting, for the payment for equipment, supplies, and materials for any purpose, including new construction of a building, structure, or improvement, excluding labor and services, when the annual aggregate cost does not exceed \$150,000. (PRC 5549)
- 4) Specifies that 2), above, applies only to the procurement of tangible equipment, supplies, and materials and shall not be interpreted to authorize the general manager to bind the district for labor or services, in an amount not exceeding \$150,000, that are customarily or historically performed by district employees. (PRC 5549)

FISCAL EFFECT: None

COMMENTS:

- 1) **Author's Statement.** According to the author, "The Midpeninsula Regional Open Space District (Midpen) protects more than 73,000 acres of mountainous, foothill, and bayland open space across 27 preserves, featuring more than 265 miles of trails making it an integral conservation district in the bay area. Caring and protecting this beautiful region is expensive, both because of complexity of the projects and the vastness of the area.

"Under current law, the General Manager is not allowed to enter into contracts valued at more than \$50,000 without board approval. The requirement for board approval for these contracts that revolve around specialized professional services and maintenance of infrastructure and vegetation can often delay the projects by several weeks to over a year.

"AB 2188 increases the cap that the Midpen General Manager is able to enter into before needing to obtain board approval, ensuring timely completion of projects that protect, preserve, and maintain Midpen's ecosystem."

- 2) **RPOSDs.** The Legislature first authorized the creation of regional park districts in 1933 'for the purpose of acquiring, improving, and maintaining parks, playgrounds, beaches, parkways, scenic drives, boulevards, and other facilities for public recreation. [AB 1114 (Roland), Chapter 1043, Statutes of 1933]. To provide these services, RPOSDs can use special taxes, benefit assessments, and general obligation bonds to acquire property by purchase or eminent domain.

Some RPOSDs are classified as independent and have their own directly-elected boards of directors with fixed terms. Independent special districts are a separate, autonomous form of government not controlled by a city or county. Other special districts are defined as dependent and act more comparable to a county or city department. For a dependent RPOSDs, the relevant board of supervisors serves as the district's board of directors.

RPOSDs have broad authority to develop, improve, and control their property for the purposes of parks, playgrounds, golf courses, trails, and open space preserves, among others. RPOSDs may also select, designate, and acquire land and conduct programs and classes. The Public Resources Code authorizes RPSODs to do all other things necessary or convenient to carry out the purposes for which they were created.

- 3) **RPOSD Bid Requirements.** RPOSDs generally must comply with state law requiring them to publicly bid new construction and maintenance work that will exceed specified costs. This is consistent with state law for local agencies, based on policy that seeks to balance open and transparent use of public funds with efficient and cost-effective government operations.

Prior law sets bid limits for these districts at \$10,000 for non-construction work, and \$25,000 for construction contracts. However, the Legislature allowed exceptions to these thresholds for three districts: the East Bay Regional Park District (East Bay RPD), Midpen, and the Sonoma County Agricultural Preservation and Open Space District (Sonoma County APOSD). These districts were allowed to contract for any purpose for up to \$25,000 without bidding. These exceptions were based on a recognition that public bidding may not be cost-effective in all cases, particularly when the costs of time delays and resources expended on contract preparation and bidding are disproportionate to a contract's scope and total cost.

AB 745 (Levine), Chapter 42, Statutes of 2014, raised the limit to \$25,000 for all park and open space districts for all purposes, both construction and non-construction, resulting in a uniform statute for all of these districts. However, two subsequent bills [AB 495 (Gordon), Chapter 149, Statutes of 2015, and SB 1082 (McGuire), Chapter 52, Statutes of 2016] once again created exceptions for East Bay RPD, Midpen, and the Sonoma County APOSD by raising their bid thresholds for both construction and non-construction contracts to \$50,000.

AB 2137 (Mayes), Chapter 278, Statutes of 2018, increased, from \$25,000 to \$50,000, the amount for which all RPOSDs may enter into contracts without a formal bid process. AB 2137 allowed an RPOSD to increase the \$50,000 limit up to 2% each fiscal year.

- 4) **AB 769 (Wilson) of 2025.** Just last year, AB 769 (Wilson), Chapter 166, Statutes of 2025, made a number of changes to the statutes governing RPOSDs.

Among those many changes was a provision allowing the general manager of any RPOSD with a population of 200,000 or more to bind the district for the payment for equipment, supplies, and materials for any purpose, including new construction of a building, structure, or improvement, when the annual aggregate cost does not exceed \$150,000. This authorization required board approval and was required to be in accordance with board policy adopted in an open meeting.

AB 769 contained language specifying that its delegated authority explicitly excluded labor and services, and that the bill applied “only to the procurement of tangible equipment, supplies, and materials and shall not be interpreted to authorize the general manager to bind the district for labor or services that are customarily or historically performed by district employees.”

This committee's analysis of AB 769 noted that, according to the sponsors, only two RPOSDs met the 200,000 resident threshold: East Bay RPD and Midpen.

- 5) **Bill Summary.** This bill extends the provisions of AB 769 to additionally allow Midpen's general manager to bind the district for the payment of labor or other valuable consideration for any purpose, as well as the payment of equipment, supplies, and materials in existing law. It also allows the general manager to do so without advertising. This bill also expands this authority to apply to amounts not exceeding \$150,000 (rather than when the annual aggregate

cost does not exceed \$150,000). This bill requires all expenditures to be reported to the board of directors at its next regular meeting.

This bill also specifies that, if Midpen's board delegates authority in the manner specified in the bill for a contract for the construction, completion, maintenance, or repair of any building, structure, or improvement, the decision by the general manager shall be binding on the district, and that nothing in this provision invalidates any existing protest and grievance procedures regarding that decision.

This bill is sponsored by Midpen.

6) **Policy Considerations.** The Committee may wish to consider the following:

As noted above, AB 769 was approved just last year to allow larger RPOSDs (those with a population of 200,000 or more) a broader delegated authority than smaller RPOSDs by increasing the cap on this authority to \$150,000 – nearly three-fold from the then-extant cap of \$50,000. Because it meets this population threshold, Midpen is able to use this authority.

Also as noted above, AB 769 explicitly excluded labor or services from this authority. It also did not relieve these districts from the requirement to advertise under this expanded delegated authority.

Lastly, this bill also expands this authority to apply to amounts not exceeding \$150,000, rather than when *the annual aggregate cost* does not exceed \$150,000 as in AB 769.

While this bill does require all expenditures to be reported to the board of directors at its next regular meeting, the Committee may wish to consider if Midpen should be granted a broader delegated authority than any other RPOSD in the state – especially in light of the expanded authority that was granted to Midpen just last year. In addition, given the legislative history on this issue, the Committee may wish to consider the precedent this bill could establish for other RPOSDs or other local agencies.

7) **Committee Amendments.** The Committee may wish to consider adopting the following amendments:

a) Amend Section 1 of this bill to remove the phrase “without advertising” and add language that requires the district to seek at least three informal bids and include information about that process and its results in the general manager's report to the board.

b) Add a sunset date of January 1, 2032.

8) **Arguments in Support.** The Midpeninsula Regional Open Space District (Midpen), sponsor of this bill, writes, “Midpen's General Manager is limited to a \$50,000 contracting authority established over a decade ago (AB 495 (Gordon, 2015)). In combination with AB 2137 (Mayes, 2018), which allows this limit to increase by 2% per year, this limit has increased to \$53,000. However, since 2015, the cost of doing business in the Bay Area has escalated significantly, and our land management responsibilities have grown by over 10,000 acres – all in the face of increasing threats from climate change. The requirement for Board approval for any contract exceeding \$53,000 creates administrative bottlenecks that frequently delay

essential projects by several weeks—or even over a year when work must be paused for environmental constraints like nesting seasons.

“AB 2188 proposes to raise this limit to \$150,000, aligning our district with modern standards for larger park districts. This change will:

- **Accelerate Project Delivery:** Ensure timely maintenance of infrastructure and vegetation management crucial for wildfire mitigation.
- **Reduce Administrative Costs:** Midpen currently spends an estimated \$6,000 in administrative overhead per contract; over a five year interval, we have processed roughly 200 contracts that fell just above the current \$53,000 threshold.
- **Maintain Oversight:** All spending will continue to follow Board-adopted policies, ensuring transparency and fiscal responsibility while freeing the Board to focus on high-level strategic priorities.

“Midpen is dedicated to protecting and managing our region's natural resources and providing ‘room to breathe’ for our residents transparently and responsibly. AB 2188 provides the necessary flexibility to fulfill this mission efficiently for many years to come.”

9) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Recreation & Park Districts
California Special Districts Association
Midpeninsula Regional Open Space District
Santa Clara Valley Open Space Authority

Opposition

None on file

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