

**LOCAL AGENCY FORMATION COMMISSION
SPECIAL MEETING AGENDA**

Wednesday, May 12, 2004
9:00 a.m.

Employees Relations' Hearing Room, Room 374A
Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles 90012

A person with a disability may contact the LAFCO office at (818) 254-2454 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

1. **CALL MEETING TO ORDER.**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN PELLISSIER.**
3. **HEARINGS**
 - a. Santa Catalina Island – Municipal Service Review and Sphere of Influence Update
 - b. Hearing on 2004-2005 Final Budget.
4. **SPECIAL ITEMS**
 - a. Introduction of New Commissioners.
 - b. Reappointment of Kenneth Chappell as the alternate public member, for a term of office expiring the first Monday in May 2008.
 - c. Approve minutes of the meeting held April 28, 2004.
 - d. Municipal Service Reviews and Spheres of Influence Update.
 - e. Report on pending applications.
 - f. Approval of April Operating Account Check Register; and Money Market Account Register.

5. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items that are not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

6. **FUTURE MEETINGS**

May 26, 2004

June 9, 2004

7. **NEW BUSINESS**

This is the opportunity for commissioners to discuss matters not on the Posted Agenda (to be discussed and upon Commission approval placed on the Agenda for action at a future meeting).

8. **ADJOURNMENT MOTION**

STAFF REPORT

MAY 12, 2004

SANTA CATALINA SPHERE OF INFLUENCE (SOI) UPDATE AND MUNICIPAL SERVICE REVIEW (MSR)

AGENDA ITEM NO. 3A

Agenda item 3A is consideration and approval of the Municipal Service Review (MSR) for Santa Catalina Island and a corresponding sphere of influence (SOI) update.

Background

Since 1971 LAFCOs have been required to develop and adopt a sphere of influence of each city and special district. A sphere is defined by Government Code section 56076 as “a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Developing spheres is central to the Commission’s purpose. Government Code section 56425 states “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and adopt a sphere of influence for each local governmental agency within the county”

Enacted in 2001, Assembly Bill 2838 requires LAFCOs, for the first time, “. . .shall review and update the sphere not less than once every five years.”

In addition, AB 2838 creates an entirely new LAFCO obligation, as provided in Government Code section 56430:

In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. . . . The commission . . . shall prepare a written statement of its determinations with respect to each of the following:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

The Commission has great latitude in how to gather information and perform these studies, including the ability to decide what portion of the County is appropriate for an analysis of specific types of services. Service reviews must be conducted before, or in conjunction with, an action to update a sphere of influence.

The State Office of Planning and Research has issued advisory guidelines to assist LAFCOs as they endeavor to comply with this requirement.

MSR and SOI Update for Santa Catalina Island

To assist in undertaking a service review for Santa Catalina Island the Commission contracted with Burr Consulting. Burr Consulting has conducted research and analysis and prepared the enclosed MSR and SOI Update report for the Commission's review and adoption.

Related Jurisdictional Changes

There are no related boundary changes proposed as a part of this approval.

Compliance with CEQA

MSRs are only feasibility and planning studies for possible future actions that have not been approved, adopted or funded, and therefore, conducting an MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15626. Approval of the recommended SOI Update is also not subject to CEQA because, as set forth in State CEQA Guidelines section 15061, it can be seen with certainty that there is no possibility that expansion of the City of Avalon's SOI will have a significant effect on the environment, as it will not alter land use, permit greater development than is already allowed or alter jurisdictional control over the area.

Other Local Agencies

This report does not provide a complete review of the Consolidated Fire Protection District of Los Angeles County or the Santa Monica Mountains Resource Conservation District, as these districts include other MSR study areas.

Recommendation:

In consideration of information gathered and evaluated during the MSR for Santa Catalina Island, the following recommendations are provided for consideration by the Commission:

- 1) Open the public hearing and receive testimony on the Municipal Service Review.
- 2) There being no further testimony, close the public hearing.
- 3) Adopt the Municipal Service Review report for Santa Catalina Island and the determination contained in the report, as required by Government Code section 56430.
- 4) Find that the approval of this Sphere of Influence Update is not subject to the California Environmental Quality Act because, as set forth in State CEQA Guidelines section 15061, it can be seen with certainty that there is no possibility that expansion of the City of Avalon's Sphere of Influence will have a significant effect on the environment.
- 5) Approve the update of the City's of Avalon's Sphere of Influence, as recommended in the Municipal Service Review report, and make the following determinations, in accordance with Government Code section 56425:

A. Present and Planned Land Uses in the Area

The land area within the current sphere is coterminous with the boundaries of the City of Avalon. The sphere is surrounded on three sides by unincorporated Santa Catalina Island and the Pacific Ocean creates the fourth boundary. The coastal accretions in the area are under the jurisdiction of the State Lands Commission. Present land uses in the City of Avalon mostly include residential, commercial, and open space and planned land uses in the area include commercial and residential developments.

The SOI expansion area identified in the Municipal Service Review is zoned for industrial use. There is an eight-acre solid waste disposal facility in the SOI expansion area. There is a canyon on the city's current boundary in this area that is a potential site for municipal warehouses.

B. Present and Probable Need for Public Facilities and Services in the Area

The need for municipal services in the existing sphere will include development of 88 units to the coastal Hamilton Cove development and a 100-250 room resort at Descanso Beach with support housing for workers in Bird Park. In order to be built, the developers must finance new wells to tap groundwater resources, new reservoirs or other storage facilities, and/or expansion of the seawater desalination facilities.

In the SOI expansion area, fresh water flow is limited. Saltwater service is not available in this area and a street in the SOI expansion area is privately owned and unpaved, although it is traveled heavily by residents transporting items to the disposal site. Transfer of this road to the City of Avalon would improve safety and decrease vehicle maintenance costs.

C. Present Capacity of Public Facilities and Adequacy of Public Service that the Agency Provides or is Authorized to Provide

The properties within the City of Avalon receive services from a variety of local agencies. With regard to public services provided to the existing sphere area, the present capacity of public facilities is limited for some municipal services. For example, current demand at the City's landfill will cause it to be filled within 20 years. In addition, there is a current inadequacy of the existing fresh water supply to accommodate growth in the sphere area.

The present adequacy of public services include poor maintenance standards and scarce financing for privately-owned roads in the City of Avalon.

In the SOI expansion area, there are no significant service challenges; the only identified service challenge in this area involves the lack of saltwater availability above 170-foot elevation.

D. Existence of Any Social or Economic Communities of Interest

The City of Avalon has a long and rich history, with a high degree of community identity.

The SOI expansion area is located in an industrial community where the water utility, electric utility, wastewater treatment facility, and landfill are located. In the vicinity of the SOI expansion area, there are Williamson Act lands that are owned by the Catalina Island Conservancy and are protected for open space and recreational purposes. Those lands, however, are generally uphill from the SOI expansion area, and would not be affected by an increase in industrial use in the SOI expansion area.

- 6) Adopt the attached Resolution Making Determinations and Updating the Sphere of Influence for the City of Avalon approving the recommended expansion of the Sphere of Influence for the City of Avalon.

RESOLUTION NO.

**RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS AND APPROVING AN UPDATE TO
THE SPHERE OF INFLUENCE OF THE CITY OF AVALON**

WHEREAS, the Local Agency Formation Commission for Los Angeles County (the "Commission"), is required pursuant to Part 3, Division 3, Title 5, (commencing with Section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), to determine and update, as necessary, the Sphere of Influence (SOI) of each local agency; and

WHEREAS, the Commission has undertaken the Municipal Service Review for Santa Catalina Island and Sphere of Influence Update for the City of Avalon, and

WHEREAS, the Executive Officer has submitted to the Commission a Municipal Service Review and Sphere of Influence Update report, including proposed determinations and recommendations; and

WHEREAS, said report recommends expansion of the current Sphere of Influence of the City of Avalon; and

WHEREAS, a description of the proposed boundaries and map of the updated Sphere of Influence of the City of Avalon is set forth in Exhibits "A" and "B", attached hereto and incorporated by reference herein; and

WHEREAS, on May 12, 2004, after being duly and properly noticed, this matter came on for hearing at which time this Commission heard and received all oral and written testimony, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this matter and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that the approval of this Sphere of Influence Update is not subject to the California Environmental Quality Act (CEQA) because, as set forth in State CEQA Guidelines section 15061, it can be seen with certainty that there is no possibility that expansion of the City of Avalon's Sphere of Influence will have a significant effect on the environment.

2. The Commission adopts the following written determinations and approves the Sphere of Influence Update for the City of Avalon:

A. Present and Planned Land Uses in the Area

The land area within the current sphere is coterminous with the boundaries of the City of Avalon. The sphere is surrounded on three sides by unincorporated Santa Catalina Island and the Pacific Ocean creates the fourth boundary. The coastal accretions in the area are under the jurisdiction of the State Lands Commission. Present land uses in the City of Avalon mostly include residential, commercial, and open space and planned land uses in the area include commercial and residential developments.

The SOI expansion area identified in the Municipal Service Review is zoned for industrial use. There is an eight-acre solid waste disposal facility in the SOI expansion area. There is a canyon on the city's current boundary in this area that is a potential site for municipal warehouses.

B. Present and Probable Need for Public Facilities and Services in the Area

The need for municipal services in the existing sphere will include development of 88 units to the coastal Hamilton Cove development and a 100-250 room resort at Descanso Beach with support housing for workers in Bird Park. In order to be built, the developers must finance new wells to tap groundwater resources, new reservoirs or other storage facilities, and/or expansion of the seawater desalination facilities.

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C. Present Capacity of Public Facilities and Adequacy of Public Service that the Agency Provides or is Authorized to Provide

The properties within the City of Avalon receive services from a variety of local agencies. With regard to public services provided to the existing sphere area, the present capacity of public facilities is limited for some municipal services. For example, current demand at the City's landfill will cause it to be filled within 20 years. In addition, there is a current inadequacy of the existing fresh water supply to accommodate growth in the sphere area.

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3. The Commission hereby approves and adopts the City of Avalon Sphere of Influence as described in Exhibits "A" and "B".
4. The Executive Officer is hereby authorized and directed to mail a certified copy of this resolution to the City of Avalon.

PASSED AND ADOPTED this 12th day of May 2004.

Ayes:

Noes:

Absent:

Abstain:

LARRY J. CALEMINE, Executive Officer

STAFF REPORT

MAY 12, 2004

LAFCO FINAL BUDGET F/Y 2004/2005

AGENDA ITEM 3B

The LAFCO Final Budget for F/Y 2004/2005 is attached to this staff report. This budget reflects line item increases and decreases in operating expenses and revenue sources for the projected fiscal year. LAFCO continues to devote time and resources to staff and outside consultants in completing the State Legislatures directives regarding the preparation and completion of Municipal Service Reviews and Sphere of Influence Updates prior to January 1, 2006.

Expenses: Total expenses for F/Y 2004/2005 are estimated at \$1,157,488.50 compared to \$1,218,073.50 for F/Y 2003/2004. This final budget results in a reduction of \$60,585.00 in total operating costs from the prior year's budget. Salaries & Employee Benefits are increased to reflect a basic cost of living increase only. Office Expenses reflect an anticipated increase in Workman's Compensation Insurance. All other expenses have been reduced wherever possible in an attempt to offset the aforementioned increases.

Revenues: LAFCO has experienced a significant drop in application filings during the current fiscal year. While it is difficult to project future revenues from this source, there is no indication that the number of applications expected to be filed during F/Y 2004/2005 will increase. It is estimated that the total revenues to be received from this source will not exceed \$65,000.00. In the F/Y 2003/2004 Budget LAFCO allocated \$150,000.00 from its prior year reserve in order to hold down the total cost of funding to local agencies. LAFCO is unable to make such a transfer of funds in F/Y 2004/2005 as to do so would seriously deplete the reserve account balance.

Allocation Among Local Agencies: The allocation of LAFCO's projected \$1,092,488.50 net operating cost among the local agencies, as indicated on the attached LAFCO Final Budget for F/Y 2004/2005, is calculated pursuant to Government Code Section 56381.6.

Recommendation:

It is Staff's recommendation that the Commission approve the LAFCO Final Budget for Fiscal Year 2004-2005.

STAFF REPORT

MAY 12, 2004

INTRODUCTION OF NEW COMMISSIONERS

AGENDA ITEM NO. 4A

INDEPENDENT SPECIAL DISTRICT

DONALD L. DEAR

**WEST BASIN MUNICIPAL WATER DISTRICT
WATER DISTRICT DIRECTOR**

On March 22, 2004 a ballot was sent to all independent special districts concerning the election of a LAFCO commissioner for a four year term, to expire in 2008. All ballots were due and submitted by 5:00 p.m., 30 April 2004.

The following are the results of the election by order of count:

Donald L. Dear	23
Bob G. Kuhn	9
John G. Gaglione	3
Karen Suarez	2
Lynne A. Plambeck	<u>2</u>
Total Vote	39

ALTERNATE COMMISSIONER, CITY OF LOS ANGELES

GREIG SMITH

**LOS ANGELES CITY COUNCIL
COUNCILMAN, 12TH COUNCIL DISTRICT**

Councilman Smith has been appointed by the Los Angeles Council President to serve as the alternate LAFCO commissioner for the City of Los Angeles. His term of office extends through the first Monday of May, 2006 which will complete the term for retired Councilman Hal Bernson.

