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Paul Krekorian
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Paul A. Novak, AICP
Executive Officer

June D. Savala
Deputy
Executive Officer

Amber De La Torre
Doug Dorado
Michael Henderson
Alisha O'Brien
Patricia Wood

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626-204-6500
Fax: 626-204-6507

www.lalafco.org

LOCAL AGENCY FORMATION COMMISSION MEETING AGENDA

Wednesday, March 13, 2013
9:00 a.m.

Room 381B
Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles 90012

A person with a disability may contact the LAFCO office at (626) 204-6500 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.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at the LAFCO office and at www.lalafco.org.

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN GLADBACH**
3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**
4. **SWEARING-IN OF SPEAKER(S)**
5. **CONSENT ITEMS**

All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.

GOVERNMENT CODE § 56857 NOTICE (relates to Item 5.a. only)
(For Informational Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation is proposed, Government Code Section 56857 requires LAFCO to place the proposal on its agenda for informational purposes only.

- a. Annexation No. 2012- 01 to Los Angeles County Waterworks District No. 40, Antelope Valley.
- b. Annexation No. 405 to Los Angeles County Sanitation District No. 14.
- c. Annexation No. 412 to Los Angeles County Sanitation District No. 14.
- d. Annexation No. 331 to Santa Clarita Valley Sanitation District of Los Angeles County.
- e. Approve Minutes of February 13, 2013.
- f. Operating Account Check Register for the month of February 2013.
- g. Receive and file update on pending applications.

6. PUBLIC HEARING(S)

- a. Annexation No. 389 to Los Angeles County Sanitation District No. 22.
- b. Huntington Municipal Water District (District) Municipal Service Review, Sphere of Influence Adoption for the District, Resolution of Application Initiating Commission Proceedings to Dissolve the District, and Resolution Making Determinations to Dissolve the District and Setting a Date for Protest Hearings.

7. PROTEST HEARING(S)

None.

8. OTHER ITEMS

- a. 2011-2012 Audited Financial Statements.
- b. Legislative Position Regarding Assembly Bill No. 743 Concerning “Island” Annexations.

9. COMMISSIONERS’ REPORT

Commissioners’ questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

10. EXECUTIVE OFFICER’S REPORT

Executive Officer’s announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

11. PUBLIC COMMENT

This is the opportunity for members of the public to address the Commission on items 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.

12. **FUTURE MEETINGS**

April 10, 2013
May 8, 2013
June 12, 2013
July 10, 2013

13. **FUTURE AGENDA ITEMS**

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission.

14. **ADJOURNMENT MOTION**

Staff Report

March 13, 2013

Agenda Item No. 5.a.

GOVERNMENT CODE § 56857 NOTICE (For Informational Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, Government Code section 56857(a) requires LAFCO to place the proposal on its agenda for informational purposes only, and to transmit a copy of the annexation proposal to any district to which annexation is requested. Pursuant to Government Code section 56857(b), with no more than 60 days of the meeting date, the annexing district may adopt and submit to LAFCO a resolution requesting termination of the annexation proceedings. The law requires that any such resolution requesting termination must be "based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern." Prior to the Commission's termination of proceedings the resolution is subject to judicial review as provided in Government Code sections 56857(b) and (c).

60-Day Termination Period

LAFCO may not hear and consider the proposed annexation until after the 60-day termination period has expired. The Code provides, however, that the Commission may waive the 60-day termination period if the annexing district adopts and submits to LAFCO a resolution supporting the change of organization or reorganization.

The following is a summary of the annexation proposal filed with LAFCO:

- a. *Project Description -Annexation 2012-01 to Los Angeles County Waterworks District No.40, Antelope Valley.*
Antelope Valley Christian Center, landowner filed an application to annex 81.24± acres of vacant land to Los Angeles County Waterworks District No 40. The project includes future construction of a church.

Project Location - The project site is located south of Avenue K-8 between 25th Street East and 30th Street East, in the City of Lancaster.

The Executive Officer will transmit a copy of the annexation proposal to Los Angeles County Waterworks District No. 40, as required by Government Code section 56857(a).

Recommended Action

Receive and file.

Staff Report

March 13, 2013

Agenda Item No. 5.b.

Annexation No. 405 to Los Angeles County Sanitation District No. 14

The following is a proposal requesting annexation of approximately 6.052± acres of Uninhabited territory to Los Angeles County Sanitation District No. 14.

BACKGROUND

Annexation No.:	405
District:	Los Angeles County Sanitation District No. 14.
Inhabited/Uninhabited:	Uninhabited
Applicant:	Los Angeles County Sanitation District
Resolution or Petition:	June 23, 2011
Application filed with LAFCO:	July 5, 2011
Location:	On 10th Street West at its intersection with Avenue M-12, all within the City of Palmdale.
City/Unincorporated County:	City of Palmdale
Affected Territory:	A church and a commercial building
Surrounding Territory:	Commercial and Industrial
Landowner(s):	Christian Evangelistic Assemblies Inc. of Ca, Alexander Family Trust
Registered Voters (Number):	0
As of:	December 3, 2012
Purpose:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Waiver of Notice/Hearing/Protest:	Yes
Additional Information:	None

FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:**(a) Population**

Existing Population (Number):	0
As of:	June 28, 2011
Population Density (Persons/Acre):	0.00
Estimated Future Population:	0
Land Area (Acres):	6.052
Existing Land Use(s):	A church and a commercial building
Proposed/Future Land Use(s), if any:	N/A
Assessed Valuation:	\$578,508
As of:	February 12, 2013
Per Capita Assessed Valuation:	N/A
Topography:	Flat
Natural Boundaries:	None
Drainage Basins:	None
Proximity to Other Populated Areas:	The nearest existing populated area is 2000 feet southwesterly of the affected territory.
Likelihood of Significant Growth in the Area in the Next 10 Years:	No significant growth is anticipated.
Likelihood of Significant Growth in Adjacent Incorporated and Unincorporated Areas in the Next 10 Years:	No significant growth is anticipated.

(b) Governmental Services and Controls

Need for Organized Community Services ("Services" refers to "governmental services whether or not the services are services which would be provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):	<p>The affected territory consist of a church and a commercial building which requires organized governmental services.</p> <p>All of the owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.</p>
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(b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:	The affected territory will require governmental services indefinitely.
Present Cost and Adequacy of Government Services and Controls:	Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available to residents is private septic systems.
Probable Effect of the Proposed Action and of Alternative Courses of Action on the Cost and Adequacy of Services and Controls in the Affected Territory and Adjacent Areas:	The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on Mutual Social and Economic Interests:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on the Local Governmental Structure of the County:	N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.
Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County:	The only alternative action for sewage disposal is private septic systems. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission Policies Regarding Urban Development: The proposal conforms to adopted Commission policies regarding urban development.

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . .")):

The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

(e) Agricultural Lands

Effect on Agricultural Lands: The annexation will not have an effect on agricultural lands. There are no agricultural lands within the affected territory.

(f) Boundaries

Definiteness and Certainty of Boundaries: The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Conformance with Lines of Assessment or Ownership: The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of unincorporated territory: N/A. As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

(g) Consistency with Plans

Consistency with Regional Transportation Plan: As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

Consistency with City/County General and Specific Plan(s): The proposal is consistent with the existing City's General Plan designation of commercial. The affected territory is not within the boundaries of any Specific Plan.

(h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

(i) Comments From Public Agencies

Comments from Public Agencies: None

(j) Ability to Provide Services

Ability of the District to Provide the Requested Services: The affected territory is already being serviced by the District. The area was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Lancaster Water Reclamation Plant (LWRP) 2020 Facilities Plan. The wastewater generated by the annexation is being treated at the LWRP. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.

(k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or delivery.

(l) Regional Housing

City and/or County Regional Housing Needs: N/A. As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

(m) Comments from Landowners, Voters, or Residents

Information or comments from Landowners, Voters, or Residents of the Affected Territory: None

(n) Land Use Designations

Existing Land Use Designations:

The proposed action is consistent with the existing City's General Plan designation of commercial. The proposed action is consistent with the existing Cities zoning designation of C-2 (Office Professional).

(o) Environmental Justice

Environmental Justice:

The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance:

The annexation is categorically exempt from the provisions of the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319 (a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

Lead Agency:

Los Angeles County Sanitation District No. 14.

Date:

June 23, 2011

PLEASE CONTINUE TO PAGE 7

Annexation No. 405 to Los Angeles County Sanitation District No. 14

WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth immediately below. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). The proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the commission may conduct proceedings for the change of organization without notice and hearing, and the commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

RECOMMENDED ACTION:

Staff recommends that the Commission:

- 1). Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 405 to Los Angeles County Sanitation District No. 14.

RESOLUTION NO. 2013-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 405 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 14"

WHEREAS, the County Sanitation District No. 14 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of Palmdale; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for a church and a commercial building; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 6.052± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 405 to County Sanitation District No. 14"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on March 13, 2013, at its regular meeting this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:

- a. The territory to be annexed is uninhabited; and
- b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
- c. The proposal was accompanied by satisfactory proof that all the owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), notice and hearing requirements are waived and protest proceedings are waived.

2. The annexation is categorically exempt from the provisions of the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319 (a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

3. Annexation No. 405 to the County Sanitation District No. 14 is hereby approved subject to the following terms and conditions:

- a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
- b. The regular County assessment roll is utilized by the District.
- c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.
- d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.

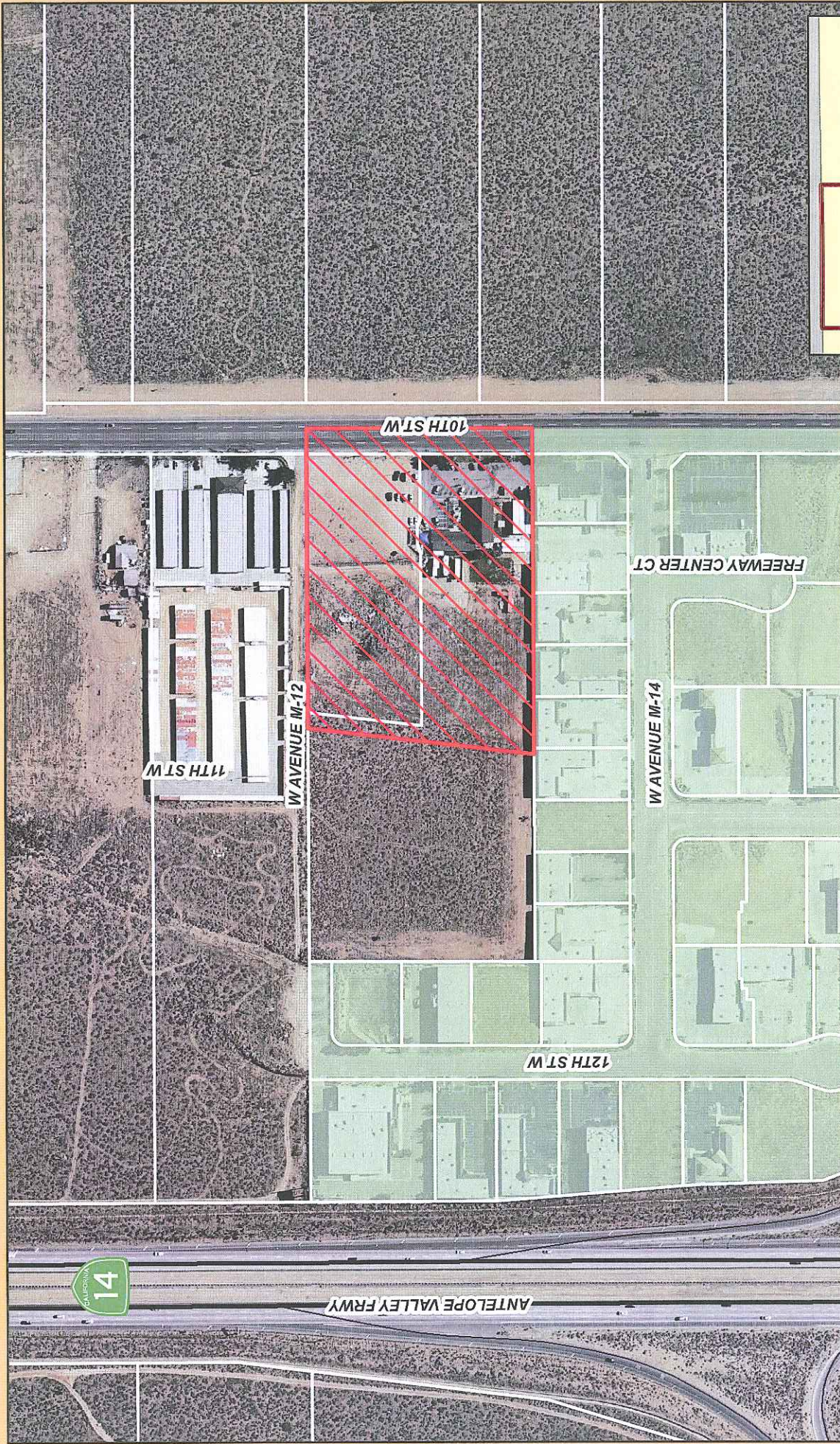
4. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to County Sanitation District No. 14.

5. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED 13th day of March 2013.

**LOCAL AGENCY FORMATION COMMISSION FOR
THE COUNTY OF LOS ANGELES**

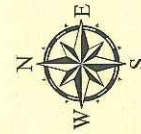
PAUL A. NOVAK, AICP Executive Officer



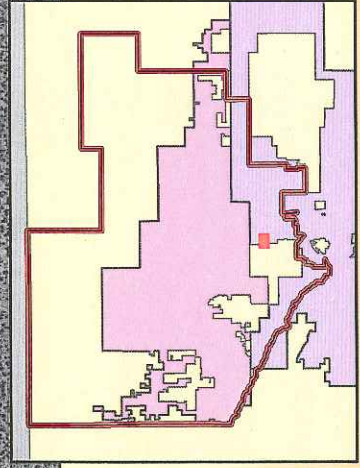
Legend

- Los Angeles County
- Sanitation District No. 14
- City of Lancaster
- City of Palmdale
- CSD Annexation 14-405
- Sphere of Influence, CSD 14

Annexation No. 405 to County Sanitation District No. 14



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



Staff Report

March 13, 2013

Agenda Item No. 5.c.

Annexation No. 412 to Los Angeles County Sanitation District No. 14

The following is a proposal requesting annexation of approximately 1.304± acres of Uninhabited territory to Los Angeles County Sanitation District No. 14.

BACKGROUND

Annexation No.:	412
District:	Los Angeles County Sanitation District No. 14.
Inhabited/Uninhabited:	Uninhabited
Applicant:	Los Angeles County Sanitation District
Resolution or Petition:	August 25, 2011
Application filed with LAFCO:	September 7, 2011
Location:	50th Street West approximately 150 feet south of Columbia Way, all within unincorporated Los Angeles County.
City/Unincorporated County:	Unincorporated County Territory
Affected Territory:	A warehouse within a commercial area.
Surrounding Territory:	Commercial and Industrial
Landowner(s):	Craig & Marta Van Dam
Registered Voters (Number):	0
As of:	December 4, 2012
Purpose:	Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Waiver of Notice/Hearing/Protest:	Yes
Additional Information:	None

FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:**(a) Population**

Existing Population (Number):	0
As of:	August 30, 2011
Population Density (Persons/Acre):	0.00
Estimated Future Population:	0
Land Area (Acres):	1.304
Existing Land Use(s):	A warehouse within a commercial area
Proposed/Future Land Use(s), if any:	N/A
Assessed Valuation:	\$294,619
As of:	August 30, 2011
Per Capita Assessed Valuation:	N/A
Topography:	Slopes approximately 1% toward northeast
Natural Boundaries:	None
Drainage Basins:	None
Proximity to Other Populated Areas:	The nearest existing populated area is 400 feet southeasterly of the affected territory.
Likelihood of Significant Growth in the Area in the Next 10 Years:	No significant growth is anticipated.
Likelihood of Significant Growth in Adjacent Incorporated and Unincorporated Areas in the Next 10 Years:	No significant growth is anticipated.

(b) Governmental Services and Controls

Need for Organized Community Services ("Services" refers to "governmental services whether or not the services are services which would be provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):	The affected territory is a warehouse which requires organized governmental services. Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
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(b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:	The affected territory will require governmental services indefinitely.
Present Cost and Adequacy of Government Services and Controls:	Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available to residents is private septic systems.
Probable Effect of the Proposed Action and of Alternative Courses of Action on the Cost and Adequacy of Services and Controls in the Affected Territory and Adjacent Areas:	The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:	Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on Mutual Social and Economic Interests:	Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on the Local Governmental Structure of the County:	N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.
Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County:	The only alternative action for sewage disposal is private septic systems. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission Policies Regarding Urban Development: The proposal conforms to adopted Commission policies

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . .")): The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

(e) Agricultural Lands

Effect on Agricultural Lands: The annexation will not have an effect on agricultural lands. There are no agricultural lands within the affected territory.

(f) Boundaries

Definiteness and Certainty of Boundaries: The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Conformance with Lines of Assessment or Ownership: The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of unincorporated territory: N/A. As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

(g) Consistency with Plans

Consistency with Regional Transportation Plan: As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

Consistency with City/County General and Specific Plan(s): The proposal is consistent with the existing County General Plan designation of Commercial. The affected territory is not within the boundaries of any Specific Plan.

(h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

(i) Comments From Public Agencies

Comments from Public Agencies: None

(j) Ability to Provide Services

Ability of the District to Provide the Requested Services: The affected territory is already being serviced by the District. The area was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Lancaster Water Reclamation Plant (LWRP) 2020 Facilities Plan. The wastewater generated by the annexation is being treated at the LWRP. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.

(k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or delivery.

(l) Regional Housing

City and/or County Regional Housing Needs: N/A. As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

(m) Comments from Landowners, Voters, or Residents

Information or comments from Landowners, Voters, or Residents of the Affected Territory: None

(n) Land Use Designations

Existing Land Use Designations:

The proposed action is consistent with the existing County General Plan designation of Commercial. The proposed action is consistent with the existing County zoning designation of C-3 (General Commercial).

(o) Environmental Justice

Environmental Justice:

Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance:

The existing annexation is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15319(b) because it consists of an annexation of an individual parcel of the minimum size for facilities exempted by CEQA Guidelines Section 15303.

Lead Agency:

Los Angeles County Sanitation District

Date:

August 25, 2011

PLEASE CONTINUE TO PAGE 7

Annexation No. 412 to Los Angeles County Sanitation District No. 14

WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth immediately below. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). The proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the commission may conduct proceedings for the change of organization without notice and hearing, and the commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

RECOMMENDED ACTION:

Staff recommends that the Commission:

- 1). Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 412 to Los Angeles County Sanitation District No. 14.

RESOLUTION NO. 2013-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 412 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 14"

WHEREAS, the County Sanitation District No. 14 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the unincorporated Los Angeles County; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for a warehouse; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 1.304± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 412 to County Sanitation District No. 14"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on March 13, 2013, at its regular meeting this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code Section 56663(a) and (b), the Commission hereby finds and determines that:
 - a. The territory to be annexed is uninhabited; and
 - b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
 - c. The proposal was accompanied by satisfactory proof that all the owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), notice and hearing requirements are waived and protest proceedings are waived.

2. The existing annexation is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15319(b) because it consists of an annexation of an individual parcel of the minimum size for facilities exempted by CEQA Guidelines Section 15303.

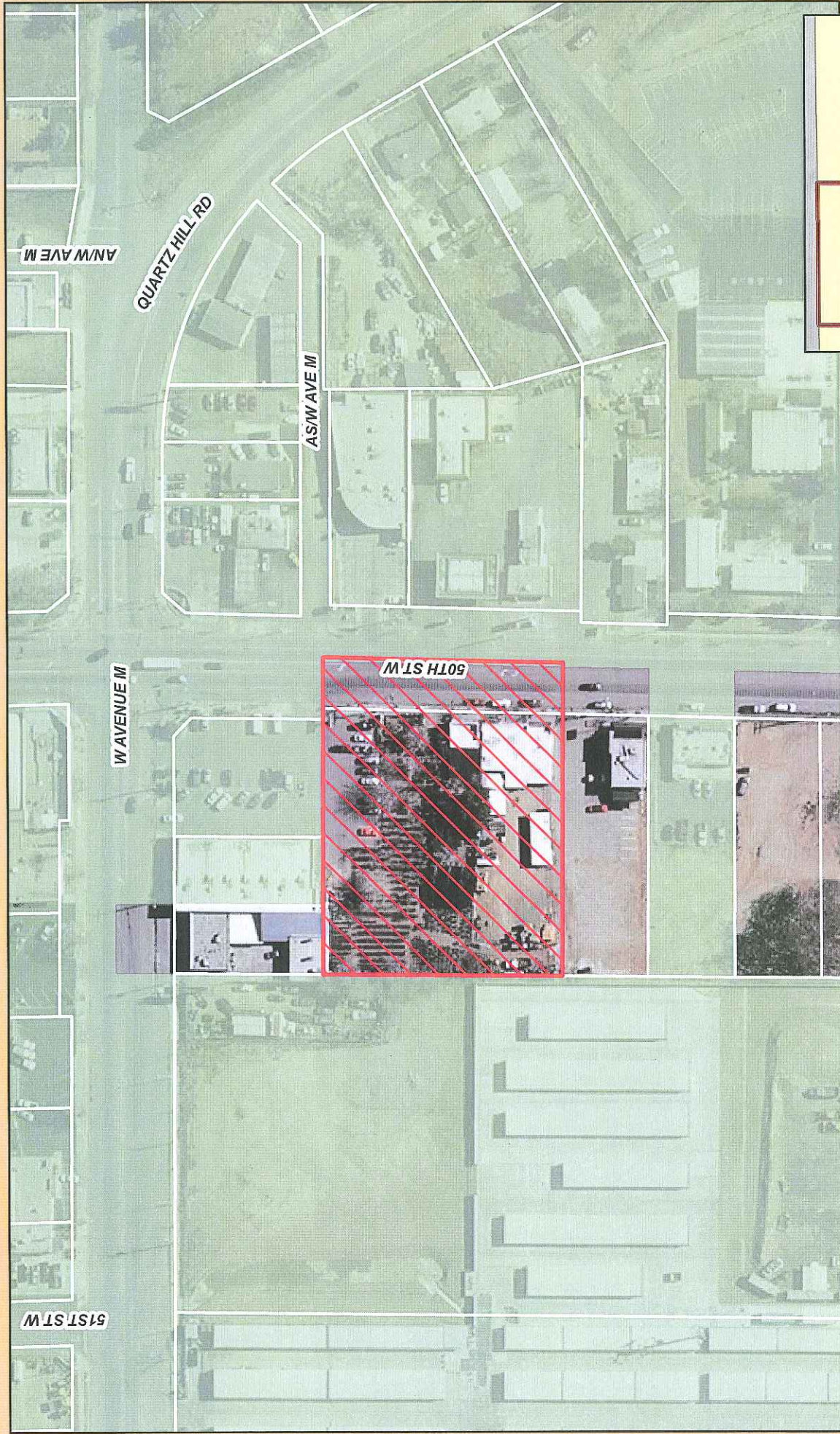
3. Annexation No. 412 to the County Sanitation District No. 14 is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
 - b. The regular County assessment roll is utilized by the District.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.
 - d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
4. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to County Sanitation District No. 14.

5. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED 13th day of March 2013.

**LOCAL AGENCY FORMATION COMMISSION FOR
THE COUNTY OF LOS ANGELES**

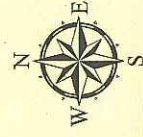
PAUL A. NOVAK, AICP Executive Officer



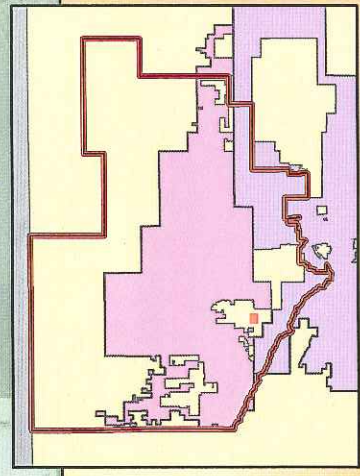
Legend

- Los Angeles County Sanitation District No. 14
- City of Lancaster
- City of Palmdale
- CSD Annexation 14-412
- Sphere of Influence, CSD 14

Annexation No. 412 to County Sanitation District No. 14



LAFCO
Local Agency Finance
Commission
for the County of Los Angeles



Staff Report

March 13, 2013

Agenda Item No. 5.d.

**Annexation No. 331 to Santa Clarita Valley Sanitation District of Los Angeles County
(SCVSD)**

The following is a proposal requesting annexation of approximately 0.503± acres of uninhabited territory to the SCVSD.

BACKGROUND

Annexation No.:	331
District:	Santa Clarita Valley Sanitation District of Los Angeles County
Inhabited/Uninhabited:	Uninhabited
Applicant:	Santa Clarita Valley Sanitation District of Los Angeles County
Resolution or Petition:	September 13, 2011
Application filed with LAFCO:	September 26, 2011
Location:	Sierra Highway approximately 200 feet northeast of Sierra Cross Avenue, all within the City of Santa Clarita.
City/Unincorporated County:	City of Santa Clarita
Affected Territory:	An office building within a commercial area.
Surrounding Territory:	Commercial
Landowner(s):	John & Joan Burgeson
Registered Voters (Number):	0
As of:	February 5, 2013
Purpose:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Waiver of Notice/Hearing/Protest:	Yes
Additional Information:	None

FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:**(a) Population**

Existing Population (Number):	0
As of:	September 13, 2011
Population Density (Persons/Acre):	0.00
Estimated Future Population:	0
Land Area (Acres):	0.503
Existing Land Use(s):	An office building within a commercial area.
Proposed/Future Land Use(s), if any:	N/A
Assessed Valuation:	\$144,871
As of:	February 13, 2013
Per Capita Assessed Valuation:	N/A
Topography:	Flat
Natural Boundaries:	None
Drainage Basins:	None
Proximity to Other Populated Areas:	The nearest existing populated area is 1,700 feet north easterly of the affected territory.
Likelihood of Significant Growth in the Area in the Next 10 Years:	No significant growth is anticipated.
Likelihood of Significant Growth in Adjacent Incorporated and Unincorporated Areas in the Next 10 Years:	No significant growth is anticipated.

(b) Governmental Services and Controls

Need for Organized Community Services ("Services" refers to "governmental services whether or not the services are services which would be provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):	The affected territory is an office building which requires organized governmental services. The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
--	--

(b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:	The affected territory will require governmental services indefinitely.
Present Cost and Adequacy of Government Services and Controls:	Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available to residents is private septic systems.
Probable Effect of the Proposed Action and of Alternative Courses of Action on the Cost and Adequacy of Services and Controls in the Affected Territory and Adjacent Areas:	The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on Mutual Social and Economic Interests:	The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on the Local Governmental Structure of the County:	N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.
Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County:	The only alternative action for sewage disposal is private septic systems. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission Policies Regarding Urban Development: The proposal conforms to adopted Commission policies

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . .")): The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

(e) Agricultural Lands

Effect on Agricultural Lands: The annexation will not have an effect on agricultural lands. There are no agricultural lands within the affected territory.

(f) Boundaries

Definiteness and Certainty of Boundaries: The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Conformance with Lines of Assessment or Ownership: The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of unincorporated territory: N/A. As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

(g) Consistency with Plans

Consistency with Regional Transportation Plan: As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

Consistency with City/County General and Specific Plan(s): The proposal is consistent with the existing City's General Plan designation of Community Commercial. The affected territory is not within the boundaries of any Specific Plan.

(h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

(i) Comments From Public Agencies

Comments from Public Agencies: None

(j) Ability to Provide Services

Ability of the District to Provide the Requested Services: The affected territory is already being serviced by the SCVSD. The area was included in the future service area that might be served by the SCVSD and the SCVSD's future wastewater management needs were addressed in the 2015 Santa Clarita Valley Joint Sewerage Facilities Plan and EIR. The wastewater generated by the annexation is being treated by the Santa Clarita Valley Joint Sewerage System, which is composed of the Saugus and Valencia Water reclamation plants. The SCVSD has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.

(k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or delivery.

(l) Regional Housing

City and/or County Regional Housing Needs: N/A. As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

(m) Comments from Landowners, Voters, or Residents

Information or comments from Landowners, Voters, or Residents of the Affected Territory: None

(n) Land Use Designations

Existing Land Use Designations:

The proposed action is consistent with the existing City's General Plan designation of Community Commercial. The proposed action is consistent with the existing City's zoning designation of Community Commercial.

(o) Environmental Justice

Environmental Justice:

The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance:

The annexation is categorically exempt from the provisions of the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319 (a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

Lead Agency:

Santa Clarita Valley Sanitation District of Los Angeles County

Date:

9/13/2011

PLEASE CONTINUE TO PAGE 7

Annexation No. 331 to Santa Clarita Valley Sanitation District of Los Angeles County

WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth immediately below. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). The proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the commission may conduct proceedings for the change of organization without notice and hearing, and the commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

RECOMMENDED ACTION:

Staff recommends that the Commission:

- 1). Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 331 to the Santa Clarita Valley Sanitation District of Los Angeles County.

**RESOLUTION NO. 2013-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 331 TO
SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY (SCVSD)"**

WHEREAS, the SCVSD adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the Commission) pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of Santa Clarita; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for an office building; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 0.503± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 331 to the SCVSD"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on March 13, 2013, at its regular meeting, this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Pursuant to Government Code Section 56662(a) Commission hereby finds and determines that:

- a. The territory to be annexed is uninhabited; and
- b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
- c. The proposal was accompanied by satisfactory proof that all the owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), notice and hearing requirements are waived and protest proceedings are waived.

2. The annexation is categorically exempt from the provisions of the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing an existing structure developed to the density allowed by the current zoning.

3. Annexation No. 331 to the SCVSD is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the SCVSD may legally impose;
 - b. The regular County assessment roll is utilized by the SCVSD;
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the SCVSD;
 - d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
4. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the SCVSD.

5. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the SCVSD, upon the SCVSD's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.





PASSED AND ADOPTED this 13th day of March 2013.

**LOCAL AGENCY FORMATION COMMISSION FOR
THE COUNTY OF LOS ANGELES**

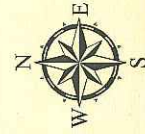
PAUL A. NOVAK, AICP Executive Officer



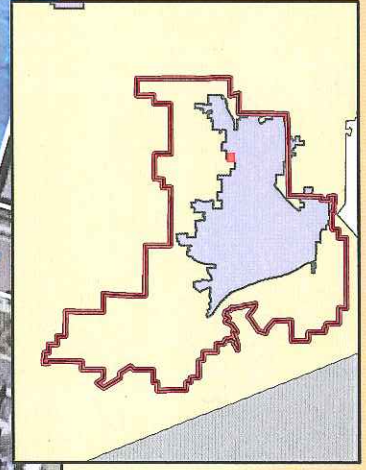
Legend

-  Santa Clarita Valley Sanitation District
-  City of Santa Clarita
-  SCV-331
-  Sphere of Influence, SCV

Annexation No. 331 to the Santa Clarita Valley Sanitation District of Los Angeles County



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



LAFCO

Local Agency Formation Commission
for the County of Los Angeles

Commission

Jerry Gladbach
Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Tom LaBonge
Gloria Molina
Henri F. Pellissier
David Spence
Zev Yaroslavsky

Alternates

Lori Brogin
Lillian Kawasaki
Don Knabe
Paul Krekorian
Gerard McCallum
Judith Mitchell

Staff

Paul A. Novak, AICP
Executive Officer

June D. Savala
Deputy
Executive Officer

Amber De La Torre
Doug Dorado
Michael Henderson
Alisha O'Brien
Patricia Wood

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

February 13, 2013

Present:

Jerry Gladbach, Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Tom LaBonge
Gloria Molina
Henri F. Pellissier
David Spence
Zev Yaroslavsky

Lori Brogin, Alternate
Don Knabe, Alternate
Gerard McCallum, Alternate

Paul A. Novak, AICP; Executive Officer
Helen Parker, Legal Counsel

Absent:

Lillian Kawasaki, Alternate
Paul Krekorian, Alternate
Judy Mitchell, Alternate

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626-204-6500
Fax: 626-204-6507

www.lalafco.org

1 CALL MEETING TO ORDER

The meeting was called to order at 9:02 a.m., in Room 381-B of the County Hall of Administration.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Jerry Gladbach.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The Executive Officer (E.O.) read an announcement, asking that persons who made a contribution of more than \$250 to any member of the Commission during the past twelve (12) months to come forward and state for the record the Commissioner to whom such contributions were made and the item of their involvement (None).

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore in members of the audience who planned to testify (None).

5 CONSENT ITEMS

The Commission took the following actions under Consent Items:

- a. Received and filed Annexation No. 2013-20 to Los Angeles County Waterworks District No. 40, Antelope Valley (Anaverde Hills School).
- b. Approved and Ordered Annexation No. 1023 to Santa Clarita Valley Sanitation District of Los Angeles County, Resolution 2013-08RMD.
- c. Approved Minutes of January 9, 2013.
- d. Approved Operating Account Check Register for the month of January 2013.
- e. Received and filed update on pending applications.

MOTION:	DEAR
SECOND:	LaBONGE
AYES:	CLOSE, DEAR, FINLAY, LaBONGE, MOLINA, PELLISSIER, SPENCE, GLADBACH, KNABE (ALTERNATE FOR YAROSLAVSKY)
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	YAROSLAVSKY
MOTION PASSES:	9/0/0

6 PUBLIC HEARING(S)

The following items were called up for consideration:

- a. Annexation No. 393 to Los Angeles County Sanitation District No. 22

The public hearing was opened to receive testimony. There being no testimony, the public hearing was closed.

The Commission took the following action:

- Adopted the Resolution No. 2013-09RMD Making Determinations Approving Annexation No. 393 to the County Sanitation District No. 22.
- Pursuant to Government Code Section 57002, set April 10, 2013 at 9:00 a.m., as the date for Commission protest proceedings.

MOTION:	FINLAY
SECOND:	PELLISSIER
AYES:	CLOSE, DEAR, FINLAY, LaBONGE, MOLINA, PELLISSIER, SPENCE, GLADBACH, KNABE (ALTERNATE FOR YAROSLAVSKY)
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	YAROSLAVSKY
MOTION PASSES:	9/0/0

7 PROTEST HEARING(S)

The following items were called up for consideration:

- a. Annexation No. 285 to Los Angeles County Sanitation District No. 15
- b. Annexation No. 5 to Los Angeles County Sanitation District No. 28
- c. Annexation No. 1012 to Santa Clarita Valley Sanitation District of Los Angeles County.

The protest hearing for all three annexations was opened to receive testimony. There being no testimony, the protest hearing was closed.

The Commission took the following action:

- Adopted the Resolution No. 2013-01PR Approving Annexation No. 285 to the Los Angeles County Sanitation District No. 15.
- Adopted the Resolution No. 2013-02PR Approving Annexation No. 5 to the Los Angeles County Sanitation District No. 28.
- Adopted the Resolution No. 2013-03PR Approving Annexation No.1012 Santa Clarita Valley Sanitation District of Angeles County.
- Pursuant to Government Code Section 57075, instructed the Executive Officer to determine the value of protests filed and not withdrawn, and if necessary, report back to the Commission with results.

MOTION: PELLISSIER
SECOND: FINLAY
AYES: CLOSE, DEAR, FINLAY, LaBONGE, MOLINA,
PELLISSIER, SPENCE, GLADBACH,
KNABE (ALTERNATE FOR YAROSLAVSKY)
NOES: NONE
ABSTAIN: NONE
ABSENT: YAROSLAVSKY
MOTION PASSES: 9/0/0

8 OTHER ITEMS

- a. Map of Cities with Incorporation Dates
- b. Map of Unincorporated Areas Adjacent to the City of Los Angeles

Commissioner Finlay thanked Commissioner LaBonge for requesting the Map of Los Angeles County with incorporation dates, noting that many cities were incorporated between 1940 and 1969. She asked when LAFCO came into being, and the E.O. responded that it was in 1963. Commissioner LaBonge thanked Michael Henderson (LAFCO GIS Mapping Technician) and mentioned that San Gabriel is the oldest city and that it was founded on September 4th, 1781 and that the Lakewood plan allowed cities to incorporate and use county services, which was a big boon for growth. Commissioner LaBonge mentioned that he would share the map with his colleagues on the City Council.

After confirming that there was no discussion, the Commission took the following action:

- Received and filed both maps

[Commissioner Yaroslavsky arrived at 9:14 a.m.]

9 COMMISSIONER'S REPORT

Commissioner Dear said that he attended CCL's (Coalition of California LAFCOs) meeting on January 28th in Los Angeles and found it to be very informative, not only for the legislative update, but also for the reports from the various counties. Commissioner Close asked the LAFCO staff about an article in the Los Angeles Times concerning special districts and LAFCO's role in overseeing those districts.

The E.O. said that the staff is currently working on Municipal Service Reviews for a series of special districts. He pointed out that the law provides the Commission with much more authority relative to special districts compared to Commission authority relative to cities (for cities, the Commission can only respond to applications filed by petitioners or a city). The three issues that could come up with an MSR for a special district would be dissolution, consolidation of two or more districts, or merger of a district with a city.

In response to a question about schedules from Commissioner Close, the E.O. said that staff is preparing MSRs for a total of 9 cities and 15 special districts (of these 1 city and 1 special district MSR is complete). The Huntington Water District Municipal Service Review is tentatively scheduled for the March agenda. The rest of the Municipal Service Reviews should generally follow through the rest of this year and that LAFCO will be done with most or all of them by 2013. In addition, staff previously brought to the Commission re-confirmation of MSRs and Spheres of Influence (SOIs) for the majority of cities (78) and special districts (63), which the Commission approved at the October and November (2012) meetings.

In response to a question from Commissioner Close about the issues examined in an MSR, the E.O. said the law requires LAFCO to examine 7 specific issues in preparing an MSR, largely related to service delivery and transparency.

Commissioner Gladbach said that his experience is that MSRs primarily address service delivery and efficiency, but not necessarily a detailed audit.

Commissioner Gladbach said that recently he and the Executive Officer met with the new city manager and the new mayor of the City of Santa Clarita, to discuss the relationship and the experience that both had with their recent annexations and a future annexation. They also met with staff from the Castaic Water Agency regarding the annexation process.

Commissioner Gladbach indicated that, on last Thursday, he attended the CALAFCO Board of Directors strategic planning session. The meeting focused on what role the Commission has in assisting cities and special districts that are having financial difficulties, especially for the smaller cities and special districts. The next day he attended the board meeting of CALAFCO. There was a discussion about proposed legislation to allow water agencies to provide service outside of their district boundaries. Another discussion centered on small mutual water companies that are in or approaching bankruptcy or dissolution and who will take over their services in that eventuality.

In response to a question from Commissioner LaBonge, Commissioner Knabe stated that the makeup of counties throughout the country is unique, often very limited, and can be very different from what Los Angeles County provides. Commissioner Knabe noted that, even in California, some counties have a population of as little as 5,000 residents.

10 EXECUTIVE OFFICER'S REPORT

The Executive Officer indicated the two items that he wished to discuss.

Item 10a is annexation 2011-26 to the City of Santa Clarita. The Commission approved this item at its meeting on January 9th. At that time, the protest hearing was announced for today's commission meeting in error, and, pursuant to Government Code Section 57026(b), it is being rescheduled for April 10th. Consistent with Government Code Section 56883, staff will administratively correct the Commission resolution adopted last month to reflect the April 10th protest hearing. Staff has already sent revised hearing notices to all registered voters and landowners within the boundaries of this annexation with the new date for the new protest hearing of April 10th.

The Commission took the following action:

- Continued and Re-noticed Annexation 2011-26

The E.O. mentioned that Alisha O'Brien (LAFCO Analyst) is on maternity leave.

11 PUBLIC COMMENT (None.)

12 FUTURE MEETINGS


March 13, 2013
April 10, 2013
May 8, 2013

13 FUTURE AGENDA ITEMS (None.)

14 ADJOURNMENT MOTION

On motion of Commissioner Close, seconded by Commissioner Dear, the meeting was adjourned at 9:27 a.m.

Respectfully submitted,


Paul A. Novak, AICP
Executive Officer

11:42 AM

03/04/13

Accrual Basis

LAFCO 03
REGISTER REPORT
February 2013

Type	Date	Num	Name	Memo	Amount	Balance
10000 Cash Unrestricted						
10003 Operating Account						
Deposit	2/4/2013			Deposit	31,500.00	31,500.00
Deposit	2/12/2013			Deposit	620.00	32,020.00
Bill Pmt -Check	2/13/2013	6519	Accountemps		-336.84	31,683.16
Bill Pmt -Check	2/13/2013	6520	Alisha O'Brien*	LAFCO Meetings- 7/11/12-1/9/13	-60.90	31,622.26
Bill Pmt -Check	2/13/2013	6521	CoreLogic	Acct# 200-694038-RR657541-2	-152.79	31,469.47
Bill Pmt -Check	2/13/2013	6522	Daily Journal	Cust#1124120362	-187.50	31,281.97
Bill Pmt -Check	2/13/2013	6523	Digital West Networks, Inc.	Acct#1252, 2/1/13-3/1/13	-55.00	31,226.97
Bill Pmt -Check	2/13/2013	6524	FedEx*	Acct#1244-7035-8	-101.59	31,125.38
Bill Pmt -Check	2/13/2013	6525	LA County Chief Administr...	Cust#C000766, Oct & Nov 2012	-585.75	30,539.63
Bill Pmt -Check	2/13/2013	6526	LACERA	Larry J. Calemine, January 2013	-543.93	29,995.70
Bill Pmt -Check	2/13/2013	6527	Office Depot*		-276.16	29,719.54
Bill Pmt -Check	2/13/2013	6528	Ricoh Americas Corp	036-0027688-000	-1,564.62	28,154.92
Bill Pmt -Check	2/13/2013	6529	Ricoh USA, Inc.	Cust#13725307	-753.73	27,401.19
Bill Pmt -Check	2/13/2013	6530	Robert Half International		-1,785.00	25,616.19
Bill Pmt -Check	2/14/2013	6531	Los Angeles County Clerk*	Notice of Detemination filing fees	-75.00	25,541.19
Bill Pmt -Check	2/14/2013	6532	Los Angeles County Clerk*	Notice of Detemination filing fees	-75.00	25,466.19
Bill Pmt -Check	2/14/2013	6533	Los Angeles County Clerk*	Notice of Detemination filing fees	-75.00	25,391.19
Check	2/15/2013	DM	Ambar De La Torre	Salary, February 1-15, 2013	-1,635.50	23,755.69
Check	2/15/2013	DM	Douglass Dorado	Salary, February 1-15, 2013	-2,426.42	21,329.27
Check	2/15/2013	DM	Michael E. Henderson	Salary, February 1-15-2013	-1,936.05	19,393.22
Check	2/15/2013	DM	Patricia Knoebl-Wood	Salary, February 1-15, 2013	-879.93	18,513.29
Check	2/15/2013	DM	Paul Novak	Salary, February 1-15, 2013	-4,519.32	13,993.97
Check	2/15/2013	DM	June D. Savala	Salary, February 1-15, 2013	-3,556.77	10,437.20
Check	2/15/2013	DM	Alisha O'Brien	Salary, February 1-15, 2013	-1,726.89	8,710.31
Check	2/15/2013	DM	Federal Tax Deposit	February 15, 2013 payroll	-3,839.36	4,870.95
Check	2/15/2013	DM	State Income Tax	February 15, 2013 payroll	-985.76	3,885.19
Check	2/15/2013	DM	ADP	February 15, 2015 payroll	-117.13	3,768.06
Deposit	2/21/2013			Deposit	6,000.00	9,768.06
Bill Pmt -Check	2/25/2013	6534	Accountemps	Cust#00490-001923000, G. Duche ...	-196.49	9,571.57
Bill Pmt -Check	2/25/2013	6535	ATT	Acct#990566760, 01/10/13-02/09/13	-319.10	9,252.47
Bill Pmt -Check	2/25/2013	6536	California Assoc. of Public...	2013 Guide	-20.00	9,232.47
Bill Pmt -Check	2/25/2013	6537	Certified Records Manag...	Cust#000271, 2/1/13-2/28/13	-612.90	8,619.57
Bill Pmt -Check	2/25/2013	6538	Daily Journal		-523.85	8,095.72
Bill Pmt -Check	2/25/2013	6539	Edward J. Gladbach	Reimbursement/Stipend- 2/4-2/8/13	-585.60	7,510.12
Bill Pmt -Check	2/25/2013	6540	Mail Finance	Lease No. N07061692D, 12-Mar-1...	-126.42	7,383.70
Bill Pmt -Check	2/25/2013	6541	MetLife*		-349.88	7,033.82
Bill Pmt -Check	2/25/2013	6542	Michael Henderson		-176.81	6,856.91
Bill Pmt -Check	2/25/2013	6543	Motor Parks	March 2013	-595.00	6,261.91
Bill Pmt -Check	2/25/2013	6544	Office Depot*		-190.18	6,071.73
Bill Pmt -Check	2/25/2013	6545	Patricia Knoebl-Wood*	Expense for Hidden Creek/NBC m...	-45.00	5,926.73
Bill Pmt -Check	2/25/2013	6546	TelePacific Communicatio...	Acct#120143, 02/09/13-03/08/13	-512.65	5,414.08
Bill Pmt -Check	2/25/2013	6547	Tropical Interior Plants	Service: January 2013	-100.00	5,314.08
General Journal	2/28/2013	JE359		Payroll Jnl Entry-Feb 28, 2013 - Ne...	0.00	5,314.08
General Journal	2/28/2013	JE359		Payroll Jnl Entry-Feb 28, 2013 - EE...	0.00	5,314.08
Bill Pmt -Check	2/28/2013	6548	80 South Lake LLC	NO000758-1	-6,498.17	-1,183.90
Bill Pmt -Check	2/28/2013	6549	Accountemps	Cust#00490-001923000, G. Duche ...	-140.35	-1,324.25
Bill Pmt -Check	2/28/2013	6550	Bank of America*		-1,109.28	-2,433.53
Bill Pmt -Check	2/28/2013	6551	Daily Journal	Cust#1124120362	-147.90	-2,581.43
Bill Pmt -Check	2/28/2013	6552	LACERA	February 2013 - Employer/Employe...	-9,536.77	-12,118.20
Bill Pmt -Check	2/28/2013	6553	Office Depot*	Acct#32368442	-105.92	-12,224.12
Bill Pmt -Check	2/28/2013	6554	Robert Half International	Cust#00490-001923000, C. Grant ...	-680.00	-12,904.12
Check	2/28/2013	48677898	Lori W. Brogin	Stipend, February 13, 2013	-147.83	-13,056.29
Check	2/28/2013	48677899	Richard Close	Stipend, February 13, 2013	-147.83	-13,204.12
Check	2/28/2013	48677900	Margaret E. Finlay	Stipend, February 13, 2013	-147.83	-13,351.95
Check	2/28/2013	48677901	Edward G. Gladbach	Stipend, February 13, 2013	-147.83	-13,499.78
Check	2/28/2013	48677902	Donald Knabe	Stipend, February 13, 2013	-147.83	-13,647.61
Check	2/28/2013	48677903	Gloria Molina	Stipend, February 13, 2013	-147.83	-13,795.44
Check	2/28/2013	48677904	Alisha O'Brien	Salary, February 16-28, 2013 (40 h...	-859.51	-14,654.95
Check	2/28/2013	48677905	Henri F. Pellissier	Stipend, February 13, 2013	-147.83	-14,802.78
Check	2/28/2013	48677906	Zev Yaroslavsky	Stipend, February 13, 2013	-147.83	-14,950.61
Check	2/28/2013	DM	Ambar De La Torre	Salary, February 16-28, 2013	-1,635.49	-16,586.10
Check	2/28/2013	DM	Donald L. Dear	Stipend, February 13, 2013	-147.83	-16,733.93
Check	2/28/2013	DM	Douglass Dorado	Salary, February 16-28, 2013	-2,426.43	-19,160.36
Check	2/28/2013	DM	Patricia Knoebl-Wood	Salary, February 16-28, 2013	-999.26	-20,159.62
Check	2/28/2013	DM	Thomas J LaBonge	Stipend, February 13, 2013	-147.83	-20,307.45
Check	2/28/2013	DM	Gerard McCallum II	Stipend, February 13, 2013	-147.83	-20,455.28
Check	2/28/2013	DM	Paul Novak	Salary, February 16-28, 2013	-4,519.31	-24,974.59
Check	2/28/2013	DM	June D. Savala	Salary, February 16-28, 2013	-3,556.78	-28,531.37
Check	2/28/2013	DM	David Spence	Stipend, February 13, 2013	-147.83	-28,679.20
Check	2/28/2013	DM	Federal Tax Deposit	February 28, 2013 payroll	-3,627.10	-32,306.30
Check	2/28/2013	DM	State Income Tax	February 28, 2013 payroll	-905.05	-33,211.35
Check	2/28/2013	DM	ADP	February 28, 2015 payroll	-141.59	-33,352.94
Check	2/28/2013	DM	Michael E. Henderson	Salary, February 16-28-2013	-1,936.06	-35,289.00
Total 10003 Operating Account					-35,724.75	-35,724.75

Type	Date	Num	Name	Memo	Amount	Balance
Total 10000 Cash Unrestricted					-35,724.75	-35,724.75
TOTAL					-35,724.75	-35,724.75

**AGENDA ITEM NO. 5g - March 13, 2013
PENDING APPLICATIONS AS OF March 4, 2013**

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
1	DD	Annexation No. 2007-04 City of Industry	City of Industry	Annexation of 14.8 acres to the City of Industry. The subject territory consists principally of a street right-of-way along Valley Blvd., between Morningside Drive and the City of Industry and City of Pomona boundary line.	The City and County have been in involved in ongoing negotiations. There has been no agreement to date. 7-29-12 Troy Helling indicated the City Engineer wants to move forward. Working with Industry, Pomona, and County to amend application	1/4/2007	Unknown
2	DD	Annexation No. 2007-05 City of Long Beach (Rancho Dominguez)	City of Long Beach	Request for annexation of 880 acres to the City of Long Beach. The proposed area is located in the Rancho Dominguez/Alameda Industrial area, east of Alameda Street, north of Del Amo Blvd., west of the 710 Freeway, and south of the 91 Freeway.	The City and County have been in involved in ongoing negotiations. There has been no agreement to date. \$1500 assessor check never cashed	1/10/2007	Unknown
3	AAO	Annexation No. 2003-08(40-23/4-103) to Los Angeles County Waterworks District No. 40	LA County Waterworks District 40	Annex 19.69 acres of land located at the NE corner of Ave N and 55th St W in the City of Palmdale. 43 single family homes have been constructed.	District been providing service since 2003. Need to send approved Map & Legal to request new register voter/address info. Received tax transfer reso on 09/18/12.	11/4/2003	Unknown
4	AAO	Annexation 2006-12 to Los Angeles County Waterworks District No. 40	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Missing "will serve" letter. Pending tax transfer resolution.	5/15/2006	Unknown
5	AAO	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40	New Anaverde, LLC	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Missing "will serve" letter. Pending tax transfer resolution	10/5/2006	Unknown
6	AAO	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Missing "will serve" letter. Pending tax transfer resolution.	12/1/2006	Unknown
7		Annexation No. 2007-18 to Los Angeles County Waterworks District No. 40	Michael Roach/ LACWD	Annex 130.29 acres of inhabited located between Avenue K & K-8 and between 30th and 35th Streets East, in the City of Lancaster.	District has been serving area since 90's. Have tax resolution. Deemed Categorical Exemption. Map & Legal pending review. Need to send approved Map & Legal to request new register voter/address info.	8/10/2007	Unknown
8	AAO	Annexation No. 2007- 29 to Quartz Hill Water District - SOI amendment	Kimberly Juday	Annex 5.08 acres of vacant land located at NEC of Avenue L-12 & 37th Street West, in the City of Lancaster. Future development of 7 single family homes	Applicant working on CEQA with city, pending approval of tax resolution, in redevelopment area.	1/4/2008	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
9	AAO	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley Fw. And the nearest paved major streets are ave. H, And Ave. I, in the City of Lancaster. For future construction of a school.	Pending approval of tax resolution. Missing "will serve" letter. Sent email to M. Roach re: status of tax resolution 12/17/12.	9/22/2008	Unknown
10	AAO	Annexation No. 2008-09 to Los Angeles County Waterworks District No. 37	Watt Enterprises LTD	Annex 272 Acres vacant land located on Escondido Canyon Road (area B) and Hubbard Road (area A) Angeles Forest Highway and Vincent Road	Missing CEQA. Missing "will serve" letter. Sent email to M. Roach re: status of tax resolution 12/31/13.	12/5/2008	Unknown
11	AD	Reorganization No. 2011-01 (21-723)	Sanitation Districts	556.712 Acres on Amar Road North of Lemon Avenue and Creekside Drive, all within the City of Walnut.	Pending approval of tax resolution	9/8/2009	Unknown
12	AAO	Reorganization 2009-16 to County Waterworks District No. 29	M.H.A.B. Trust/ Water works Dist. 29	Detach 56 acres of uninhabited territory from Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No. 29 and West Basin Municipal Water District. The project includes future construction of 5 homes. The project site is located north of Palm Canyon Lane between Cross Creek Road and Serra Road, in unincorporated county territory, adjacent to Malibu	Missing "will serve" letter. Pending approval of tax resolution.	12/28/2009	Unknown
13	AAO	Reorganization 2010-02 (Castaic High School)	Newhall County Water District	Detach 113.8 acres of vacant land from Los Angeles County Waterworks District No. 36 and annex to Newhall County Water District. The site is located on northwest corner of Romero Canyon Road and Canyon Hill Road, within the area know as Castaic.	August 2011 Agenda, continued until new CEQA is submitted	1/21/2010	Unknown
14	DD	City of Calabasas Annexation 2010-03 (Mountain View Estates)	City of Calabasas	840 acres located between Ventura County Boundary on the north & the Ventura Freeway (State Route 101) on the south, east of Las Virgenes Rd. & west of the City of Hidden Hills. Major streets & highways are Mureau Rd. & the Ventura Freeway on the south & Thousand Oaks Blvd. which enters the proposal area from the west.	Pending approval of tax resolution	3/22/2010	Unknown
15	AAO	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No. 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Missing "will serve" letter. Received Tax Resolution 12-29-11. Pete McCawley is working on EIR (3-6 month lead time) 09/25/12.	6/9/2010	Unknown
16	AD	Annexation 389 District No. 22	Sanitation Districts	7.360 acres located on Arrow Highway approx. 250 feet west of Walnut Avenue, all within the City of San Dimas.	Pending approval of tax resolution	7/12/2010	Unknown
17	AD	Annexation 351 District No. 14	Sanitation Districts	30.762 acres located at the northeast corner of 40th Street East and Avenue J, all within the City of Lancaster.	Pending approval of tax resolution	7/26/2010	Unknown
18	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1017	Sanitation Districts	4.049 acres located approx 500 feet northwest from its intersection of Via Princessa and Sierra Highway, all within the City of Santa Clarita.	Pending approval of tax resolution	8/9/2010	Unknown
19	AD	Annexation 719 District No. 21	Sanitation Districts	5.767 acres located on the southeast corner of Base Line Road and Emerald Avenue, all within the City of La Verne.	Pending approval of tax resolution	8/9/2010	Unknown
20	AD	Annexation 355 District No. 14	Sanitation Districts	20.338 acres located at the northwest corner of Lancaster Blvd. and 30th Street West, all within the City of Lancaster.	Pending approval of tax resolution	8/18/2010	Unknown
21	AD	Annexation 393 District No. 22	Sanitation Districts	4.634 acres located at the northwest intersection of Cortez Street and Grand Avenue, all within the City of West Covina.	Protest Hearing-Apr. 10, 2013	10/4/2010	May-2013

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
22	AAO	Quartz Hill Water District Annexation 2010-09	Antelope Valley Sikh Center	4.89 acres located on the west side of 30th Street West, midway between Avenue M and Avenue L-8	Pending approval of tax resolution, in redevelopment area	10/13/2010	Unknown
23	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Pending approval of tax resolution	10/25/2010	Unknown
24	AD	SOI Amendment 2010-11 District No. 5	Sanitation Districts	Proposal 1 is located in the City of El Segundo and is bounded by El Segundo Blvd. to the north, Rosecrans Ave. to the south, Douglas St. to the east, and Sepulveda to the west.	Pending approval of tax resolution	11/29/2010	Unknown
25	AD	Annexation 55 District No. 5	Sanitation Districts	17,999 acres located on Sepulveda Blvd. approx. 300 feet south of Hughes Way, all within the City of El Segundo.	Pending approval of tax resolution	3/2/2011	Unknown
26	AD	Annexation 288 District No. 15	Sanitation Districts	522 acres located on Sierra Vista Court, approx 300 feet west of Del Valle Avenue, all within the City of La Puente.	Pending approval of tax resolution	3/9/2011	Unknown
27	DD	City of Palmdale Annexation 2011-07 (2008-02)	City of Palmdale	20 acres of uninhabited land east of 11th Street West, between Avenue O-4 and Avenue N-12, in the unincorporated area adjacent to the City of Palmdale.	Pending approval of tax resolution. County want city to annex entire island, landowner not interested	4/13/2011	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1049	Sanitation Districts	116,678 acres located at the Northwest terminus of Witherspoon Parkway approx. 500 feet east of Del Valle Road, all within Unincorporated Los Angeles County.	Pending approval of tax resolution	3/23/2011	Unknown
29	AAO	Reorganization 2011-16 to Newhall County Water District and Castaic Lake Water Agency	NCWD/CLWA	801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.	Pending approval of tax resolution. NCWD/CLWA are still in negotiations. No agreement yet. 09/19/12	5/5/2011	Unknown
30	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1020	Sanitation Districts	925 acres located on Scherzinger Lane approximately 100 feet southwest of Adon Avenue, all within the City of Santa Clarita.	Pending approval of tax resolution	5/18/2011	Unknown
31	AD	Annexation 413 District No. 14	Sanitation Districts	11,979 acres located on Fern Ave at its intersection with Jackman Street, all within the City of Lancaster.	Pending approval of tax resolution	6/7/2011	Unknown
32	AD	Annexation 405 District No. 14	Sanitation Districts	6,052 acres located on 10th Street West at its intersection with Avenue M-12, all within the City of Palmdale.	Public Hearing Mar. 13, 2013	7/5/2011	Unknown
33	AD	Reorganization No. 2000-01 (21-684)	Sanitation Districts	5,741 acres located on Woodgate Drive approximately 600 feet south of Amar Road, all within the City of West Covina.	Pending approval of tax resolution	7/18/2011	Unknown
34	AD	Reorganization No. 2006-01 (28-6)	Sanitation Districts	2,580 acres located on Oak Grove Drive south of Berkshire Place and east of the Foothill Freeway (I-210), all within the City of La Canada Flintridge.	Pending approval of tax resolution	7/25/2011	Unknown
35	AD	Annexation 725 District No. 21	Sanitation Districts	18,964 acres located on Manzanita Circle approx. 600 ft north of Virginia Ave, all within the City of La Verne.	Pending approval of tax resolution	8/17/2011	Unknown
36	AD	Reorganization No. 2007-02 (15-289)	Sanitation Districts	15,146 acres located east of Azusa Ave between Fairgrove Ave and Aroma Drive, all within the City of West Covina	Pending approval of tax resolution	8/29/2011	Unknown
37	AD	Annexation 412 District No. 14	Sanitation Districts	1,304 acres located on 50th Street West approx. 150 feet south of Columbia Way, all within unincorporated Los Angeles County.	Public Hearing Mar. 13, 2013	9/7/2011	Unknown
38	DD	City of Santa Clarita Annexation 2011-23 (Norland Road)	City of Santa Clarita	187 acres located south of State Rte 14, north and west of the existing Sand Canuon Community of the City of Santa Clarita.	Pending approval of tax resolution	9/19/2011	Unknown
39	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1054	Sanitation Districts	7,671 acres located on Sierra Highway approx. 600 feet northeast of San Fernando Road all within the City of Santa Clarita.	Pending approval of tax resolution	9/26/2011	Unknown
40	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 331	Sanitation Districts	503 acres located on Sierra Highway approx. 200 feet northeast of Sierra Cross Avenue, all within the City of Santa Clarita.	Public Hearing Mar. 13, 2013	9/26/2011	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
41	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1057	Sanitation Districts	13.584 acres located on Scherzinger Lane approx. a mile northeast from its intersection with Soledad Canyon Road, all within the City of Santa Clarita.	Pending approval of tax resolution	9/26/2011	Unknown
42	AD	Annexation 275 District No. 15	Sanitation Districts	.950 acres Parcel 1 located on Kwis Ave at its intersection with Three Palms Street; Parcel 2 is located on Kwis Avenue approximately 300 feet north of Los Robles Avenue and Parcel 3 is located on Los Robles Ave near its intersection with Kwis Ave, all within the unincorporated area of Los Angeles County.	Pending approval of tax resolution	10/11/2011	Unknown
43	DD	City of Los Angeles Annexation 2011-27	Forestar Group	685 acres of uninhabited territory located east of Browns Canyon Road and northwest of Mason Ave. In the unincorporated area just north of the City of Los Angeles.	Received incomplete application 12-8-11, received more 2-13-12, sent out notice 2-15-12, City of LA is working on CEQA,	12/8/2011	Unknown
44	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1055	Sanitation Districts	0.294 Acres located of Scherzinger Lane approximately 200 feet north of Sierra Cross Avenue, all within the City of Santa Clarita.	Pending approval of tax resolution	12/6/2011	Unknown
45	AD	Annexation 413 District No. 22	Sanitation Districts	0.690 Acres located on Sierra Madre Avenue at its intersection with Easley Canyon Road, all within the City of Glendora.	Pending approval of tax resolution	12/6/2011	Unknown
46	AD	Annexation 412 District No. 22	Sanitation Districts	1.069 Acres located on Base Line Road approximately 200 feet north of Foothill Boulevard, all within the City of La Verne.	Pending approval of tax resolution	12/6/2011	Unknown
47	AD	Annexation 410 District No. 22	Sanitation Districts	4.720 Acres Parcel 1, is located approx. 700 ft Southeast from intersection of Arrow Hwy. & Cataract Ave; Parcel 2 is located on Arrow Hwy. approx. 60 feet east of Cataract Avenue, all within the City of San Dimas.	Pending approval of tax resolution	12/6/2011	Unknown
48	AD	Annexation 735 District No. 21	Sanitation Districts	1.451 Acres located on Indian Creek Road at its intersection with Falcons View Drive, all within the City of Diamond Bar.	Pending approval of tax resolution	12/6/2011	Unknown
49	AD	Annexation 730 District No. 21	Sanitation Districts	2.784 Acres located on Alamosa Drive at its intersection with Mills Avenue, all within the City of Claremont.	Pending approval of tax resolution	12/6/2011	Unknown
50	AD	Annexation 411 District No. 14	Sanitation Districts	27.498 Acres located on the northwest corner of Avenue N-8 and 50th Street West, all within the City of Palmdale.	Pending approval of tax resolution	12/6/2011	Unknown
51	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1056	Sanitation Districts	4.162 Acres located on Placerita Canyon Road between Aden Avenue and Cast Avenue, all within the City of Santa Clarita.	Pending approval of tax resolution	12/6/2011	Unknown
52	DD	City of Glendora Annexation 2011-08a	City of Glendora	68 acres located south of Sierra Madre Blvd., east of the City of Azusa limits, west of Barranca Ave., and north of the BNSF Railroad.	Sent out Revised Notice, October 31, 2012, Tax Transfer Resolution sent out by the CEO 2-28-13	12/22/2011	Unknown
53	DD	City of Carson Annexation 2011-25 (Rancho Dominguez)	City of Carson	1.710 acres located south of the 91 Freeway, west of the 710 Freeway, north of Del Amo Blvd., and east of Wilmington Ave.	New application.	12/27/2011	Unknown
54	AD	Annexation 56 District No. 2	Sanitation Districts	1.520 acres located at Ferina Street, approximately 350 feet east of Studebaker Road, all within the City of Norwalk.	Pending approval of tax resolution	1/3/2012	Unknown
55	AD	Annexation 703 District No. 21	Sanitation Districts	3.714 acres located on Puddingstone Drive approximately 200 feet east of Raging Waters Drive, all within the City of San Dimas.	Pending approval of tax resolution	1/3/2012	Unknown
56	AD	Annexation 713 District No. 21	Sanitation Districts	1.291 acres located on Puddingstone Drive approximately 800 feet west of Walnut Avenue, all within the City of San Dimas.	Pending approval of tax resolution	1/3/2012	Unknown
57	AD	Annexation 378 District No. 22	Sanitation Districts	1.942 acres on Cannon Avenue approximately 200 feet north of Rebecca Drive, all within the City of San Dimas.	Pending approval of tax resolution	1/3/2012	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
58	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1059	Sanitation Districts	802.540 acres located approximately 3,900 feet north of Soledad Canyon Road and directly west of Sierra Highway, within unincorporated Los Angeles County and the City of Santa Clarita.	Pending approval of tax resolution.	1/24/2012	Unknown
59	AD	Annexation 414 District No. 22	Sanitation Districts	0.570 acres located on the northwest corner of Aldersgate Drive and Wheeler Avenue, all within the City of La Verne.	Pending approval of tax resolution.	2/6/2012	Unknown
60	AD	Annexation 28 District No. 16	Sanitation Districts	1.680 acres located at the terminus of Trevan Road approximately 200 feet south of Villa Knolls Drive, all within unincorporated Los Angeles County.	Pending approval of tax resolution.	2/6/2012	Unknown
61	AD	Annexation 291 District No. 15	Sanitation Districts	6.782 acres located on Ringrove Drive and the terminus of Galecrest Avenue, all within unincorporated Los Angeles County.	Pending approval of tax resolution.	3/19/2012	Unknown
62	AD	Annexation 52 District No. 18	Sanitation Districts	6.699 acres located on Pellissier Road approximately 200 feet west of Pearson Avenue, all within unincorporated Los Angeles.	Pending approval of tax resolution.	3/19/2012	Unknown
63	DD	City of Palmdale Annexation 2011-19	City of Palmdale	405 acres of uninhabited territory located between Palmdale Blvd and Ave S and 80th and 85th Street East.	Sent out Notice 3-22-12, pending approval of tax resolution.	3/8/2012	Unknown
64	AD	Annexation 706 District No. 21	Sanitation Districts	0.779 acres located on Foothill Boulevard approximately 200 feet north of Towne Center Drive, all within the City of La Verne.	Pending approval of tax resolution.	4/16/2012	unknown
65	AD	Annexation 55 District No. 2	Sanitation Districts	1.108 acres located at the southeast corner of the intersection of Noakes Street and Indiana Street, all within the City of Los Angeles.	Pending approval of tax resolution.	4/16/2012	unknown
66	AD	Annexation 733 District No. 21	Sanitation Districts	1.195 acres located on Towne Avenue approximately 150 feet south of Hillsdale Drive, all within the City of Claremont.	Pending approval of tax resolution.	4/16/2012	unknown
67	AD	Annexation 416 District No. 22	Sanitation Districts	1.390 acres located on De Anza Heights Drive approximately 700 feet east of Walnut Avenue, all within the City of San Dimas.	Pending approval of tax resolution.	4/16/2012	unknown
68	AD	Annexation 292 District No. 15	Sanitation Districts	2.926 acres located on Hacienda Boulevard approximately 150 feet southeast of Sandy Hook Avenue, all within the City of La Puente.	Pending approval of tax resolution.	4/16/2012	unknown
69	AAO	Annexation 2012-04 to Los Angeles County Waterworks District No. 40	Palmdale School District	20 acres of uninhabited land north of Avenue P-8 between 22nd and 23rd Street West, in the City of Palmdale.	Pending approval of tax resolution.	4/17/2012	Unknown
70	AAO	Detachment 2012-03 from Los Angeles County Waterworks District No. 36	Sterling Gateway, LP	116 acres of uninhabited land east of the intersection of Avenue Penn and Witherspoon Parkway.	Pending approval of tax resolution. Do not have complete CEQA.	4/17/2012	Unknown
71	AAO	Annexation 375 District No. 14	Sanitation Districts	129.557 acres located on Joshua Ranch Rd approximately 300 feet north of Elizabeth Lake Road, all within the City of Palmdale.	Anticipate to put on May or June 2013 Agenda.	6/7/2012	Unknown
72	AD	Annexation 82 District No. 20	Sanitation Districts	240.860 acres located at the Southwest corner of Avenue S and 70th Street East, all within the City of Palmdale.	Pending approval of tax resolution.	6/7/2012	Unknown
73	AD	Annexation 89 District No. 20	Sanitation Districts	6.287 acres: Joshua Ranch Road which serves as the access road to the Joshua Ranch development, located within the City of Palmdale.	Pending approval of tax resolution.	6/7/2012	Unknown
74	AAO	Annexation 323 District No. 14	Sanitation Districts	201.062 acres located on Elizabeth Lake Road approximately 3 3/4 miles west of the Antelope Valley Freeway, all within the City of Palmdale.	Anticipate to put on May or June 2013 Agenda.	6/7/2012	Unknown
75	AD	Annexation 398 District No. 14	Sanitation Districts	2.531 acres located on 10th Street West approximately 500 feet north of Avenue O all within unincorporated Los Angeles County.	Pending approval of tax resolution.	6/7/2012	Unknown
76	AAO	SOI Amendment 2012-14 District No. 14 (assoc. annexations 14-323 & 14-375)	Sanitation Districts	899.77 acres located north of the intersection of Elizabeth Lake Road and Ranch Center Drive and southwest of the California Aqueduct, all within the City of Palmdale.	Anticipate to put on May or June 2013 Agenda.	6/7/2012	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
77	AD	SOI Amendment 2012-15 District No. 20 (assoc. annexation 20-89)	Sanitation Districts	438.64 acres located north of the intersection of Elizabeth Lake Road and Ranch Center Drive and southwest of the California Aqueduct, all within the City of Palmdale	Pending approval of tax resolution	6/7/2012	Unknown
78	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. ASCV-1026	Sanitation Districts	70,876 acres located on Sierra Hwy approx 3,000 feet NW of the intersection of Soledad Canyon Road and Sand Canyon Road, within the City of Santa Clarita	Pending approval of tax resolution	6/25/2012	Unknown
79	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. ASCV-1060	Sanitation Districts	2905 acres located on Sierra Hwy between Raquet Club Court & Dolan Way, within the City of Santa Clarita	Pending approval of tax resolution	6/26/2012	Unknown
80	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. ASCV-1061	Sanitation Districts	1,621 Acres located on Newhall Ave approx 600 feet NW of Meadow Ridge Drive, within the City of Santa Clarita	Pending approval of tax resolution	6/26/2012	Unknown
81	AD	Annexation 14-415 (reorg 2012-02)	Sanitation Districts	15,298 Acres located at the intersection of Rancho Vista Boulevard/Avenue P and 25th Street West, all within the City of Palmdale	Pending approval of tax resolution	10/30/2012	Unknown
82	AD	Annexation 21-734	Sanitation Districts	1,376 acres located on the NW corner of Padua Ave and Miramar Dr, all within the City of Claremont	Pending approval of tax resolution	11/8/2012	Unknown
83	AAO	Annexation 2012-20 County Waterworks District No. 40 (Anaverde Hills School)	Westside Union School District	In Antelope Valley. Location boundaries are Avenue S, Greenbrier Street, Jackson Way. Approximately 2,015 gross acres planned to be developed with approximately 5200 dwelling units. Also golf course, two schools, fire station 124 acres of parks and trails, 637 acres of open space	Missing "will serve" letter. Pending approval of tax resolution	11/5/2012	Unknown
84	AD	Annexation SCV-1064	Sanitation Districts	266 acres located on Sand Canyon Rd at intersection with Mandalay Rd, in City of Santa Clarita	Pending approval of tax resolution	11/29/2012	Unknown
85	AD	Annexation 2 District No. 1	Sanitation Districts	0.0152 acres located on 93rd street approximately 200 feet East of Broadway in the City of Los Angeles	Pending approval of tax resolution	11/29/2012	Unknown
86	AAO	Annexation 2012-19 Walnut Valley Water District	City of Walnut	550.52 acres: Northwestern portion of City of Walnut, Recently developed hillside surrounded by housing developments to the North and East, fronted by Amar Rd on the South and an existing closed landfill on the West.	Pending approval of tax resolution	1/3/2013	Unknown
87	AD	Annexation 417 District No. 22	Sanitation Districts	1,158 acres located on Via Romales approximately 200 feet south of Camino Del Sur, all within the city of San Dimas	Pending approval of tax resolution	1/9/2013	Unknown
88	AAO	Annexation 2012-09 County Waterworks District No. 40	LA County Waterworks District 40	239.85 acres in the location of the Antelope Valley Fairgrounds. Bordered by commercial properties and vacant land. The remainder of the proposed annexation area consists of residential tracts of single family homes, and are bordered by other residential tracts and by vacant land.	Pending approval of tax resolution	1/31/2013	Unknown
89	AAO	Annexation 2012-10 County Waterworks District No. 40	LA County Waterworks District 40	The area is bordered on the North, South and West by existing residential tracts comprised of single family residences. Directly to the east is a corridor of vacant land.	Pending approval of tax resolution	1/31/2013	Unknown
90	AAO	Annexation 2012-11 County Waterworks District No. 40	LA County Waterworks District 40	The proposed annexation areas consists of residential tracts of single family homes, and are bordered by other residential tracts and by vacant land.	Pending approval of tax resolution	1/31/2013	Unknown
91	AAO	Annexation 2012-12 County Waterworks District No. 40	LA County Waterworks District 40	The proposed annexation areas consists of residential tracts of single family homes, are bordered by other residential tracts and by vacant land.	Pending approval of tax resolution	1/31/2013	Unknown
92	AAO	Annexation 2012-13 County Waterworks District No.37	LA County Waterworks District 37	The proposed annexation areas consists of residential tracts of single family homes on large lots, are are bordered by other residential tracts and by vacant land.	Pending approval of tax resolution	1/31/2013	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
93	AAO	Annexation 2012-01 County Waterworks District No. 40 (Antelope Valley Christian Ctr)	LA County Waterworks District 40	Southwest corner of 30th St. East and Avenue K-8, APN 3170-008-001. Also known as the North 1/2 of the Southeast 1/4 of Section 30, Township 7 North, Range 11 West, San Bernardino Meridian.	Pending approval of tax resolution	2/20/2013	Unknown

Staff Report

March 13, 2013

Agenda Item No. 6.a.

Annexation No. 389 to Los Angeles County Sanitation District No. 22

The following is a proposal requesting annexation of approximately 7.380± acres of uninhabited territory to Los Angeles County Sanitation District No. 22.

BACKGROUND

Annexation No.:	389
District:	Los Angeles County Sanitation District No. 22.
Inhabited/Uninhabited:	Uninhabited
Applicant:	Los Angeles County Sanitation District No. 22.
Resolution or Petition:	June 23, 2010
Application filed with LAFCO:	July 12, 2010
Location:	On Arrow Highway approximately 250 feet west of Walnut Avenue, all within the city of San Dimas.
City/Unincorporated County:	City of San Dimas
Affected Territory:	Four office buildings and small portions of two additional buildings within an industrial area.
Surrounding Territory:	Industrial and Residential
Landowner(s):	There are 16 Landowners.
Registered Voters (Number):	0
As of:	December 4, 2012
Purpose:	Some owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Waiver of Notice/Hearing/Protest:	No
Additional Information:	None

FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:**(a) Population**

Existing Population (Number):	0
As of:	August 18, 2010
Population Density (Persons/Acre):	0.00
Estimated Future Population:	0
Land Area (Acres):	7.38
Existing Land Use(s):	Four office buildings and small portions of two additional buildings.
Proposed/Future Land Use(s), if any:	N/A
Assessed Valuation:	\$17,399,291
As of:	August 18, 2010
Per Capita Assessed Valuation:	N/A
Topography:	Gently sloping from south to southwest.
Natural Boundaries:	None
Drainage Basins:	None
Proximity to Other Populated Areas:	The nearest existing populated area is 700 feet south of the affected territory.
Likelihood of Significant Growth in the Area in the Next 10 Years:	No significant growth is anticipated.
Likelihood of Significant Growth in Adjacent Incorporated and Unincorporated Areas in the Next 10 Years:	No significant growth is anticipated.

(b) Governmental Services and Controls

Need for Organized Community Services ("Services" refers to "governmental services whether or not the services are services which would be provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):	The affected territory is four office buildings and small portions of two additional buildings which require organized governmental services. Some owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.
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(b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:	The affected territory will require governmental services indefinitely.
Present Cost and Adequacy of Government Services and Controls:	Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available is private septic systems.
Probable Effect of the Proposed Action and of Alternative Courses of Action on the Cost and Adequacy of Services and Controls in the Affected Territory and Adjacent Areas:	The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:	Some owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on Mutual Social and Economic Interests:	Some owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond.
Effect of Proposed Action on the Local Governmental Structure of the County:	N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.
Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County:	The only alternative action for sewage disposal is private septic systems. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

(d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission Policies Regarding Urban Development: The proposal conforms to adopted Commission policies regarding urban development.

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . .")):

The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

(e) Agricultural Lands

Effect on Agricultural Lands:

The annexation will not have an effect on agricultural lands. There are no agricultural lands within the affected territory.

(f) Boundaries

Definiteness and Certainty of Boundaries:

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Conformance with Lines of Assessment or Ownership:

The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of unincorporated territory:

N/A. As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

(g) Consistency with Plans

Consistency with Regional Transportation Plan:

As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

Consistency with City/County General and Specific Plan(s):

The proposal is consistent with the existing City's General Plan designation of Industrial. The affected territory is not within the boundaries of any Specific Plan.

(h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

(i) Comments From Public Agencies

Comments from Public Agencies: None

(j) Ability to Provide Services

Ability of the District to Provide the Requested Services: The affected territory is already being serviced by the District. The area was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the annexation is being treated by the JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District has adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.

(k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or delivery.

(l) Regional Housing

City and/or County Regional Housing Needs: N/A. As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

(m) Comments from Landowners, Voters, or Residents

Information or comments from Landowners, Voters, or Residents of the Affected Territory: None

(n) Land Use Designations

Existing Land Use Designations:

The proposed action is consistent with the existing City's General Plan designation of Industrial. The proposed action is consistent with the existing City's zoning designation of M-1 [Light Manufacturing].

(o) Environmental Justice

Environmental Justice:

Some owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance:

The City of San Dimas adopted a Mitigated Negative Declaration on April 14, 2004 for the Four office buildings and a small portions of two additional buildings project, which is adequate for consideration of this proposal.

Lead Agency:

City of San Dimas

Date:

April 14, 2004

PLEASE CONTINUE TO PAGE 7

Annexation No. 389 to Los Angeles County Sanitation District No. 22

CONCLUSION:

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

RECOMMENDED ACTION

Staff recommends that the Commission:

- 1). Open the public hearing and receive testimony;
- 2). Close the public hearing;
- 3). Adopt the Resolution Making Determinations Approving Annexation No. 389 to Los Angeles County Sanitation District No. 22.; and
- 4). Pursuant to Government Code Section 57002, set May 8th, 2013, at 9:00 a.m. as the date and time for Commission protest proceedings.

RESOLUTION NO. 2013-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR LOS ANGELES COUNTY
MAKING DETERMINATIONS APPROVING
"ANNEXATION NO. 389 TO
LOS ANGELES COUNTY SANITATION DISTRICT NO. 22"

WHEREAS, the County Sanitation District No. 22 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within the City of San Dimas; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for four office buildings and small portions of two additional buildings; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the territory consists of 7.380± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 389 to County Sanitation District No. 22"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on March 13, 2013, after being duly and properly noticed, this proposal 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 proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Acting in its role as a responsible agency with the respect to Annexation No. 389, and under State CEQA Guidelines Section 15096, the Commission certifies that it has independently considered and reached its own conclusions regarding the environmental effects of the project and the Mitigated Negative Declaration adopted by the City of San Dimas for approval of D.P.R.B. Case No. 04-11 for the four office buildings and small portions of two additional buildings, and has determined that the document adequately addresses the environmental impacts of the project. The Commission also finds that it has complied with the requirements of CEQA with respect to the process for a responsible agency, and hereby adopts by reference the environmental findings previously adopted by the lead agency in connection with its approval of the project.
2. Annexation No. 389 to the County Sanitation District No. 22 is hereby approved subject to the following terms and conditions:
 - a. The property so annexed shall be subject to the payment of such service charges, assessments or taxes as the District may legally impose.
 - b. The regular County assessment roll is utilized by the District.
 - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.
 - d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.

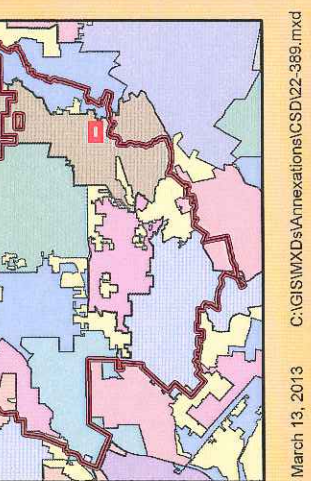
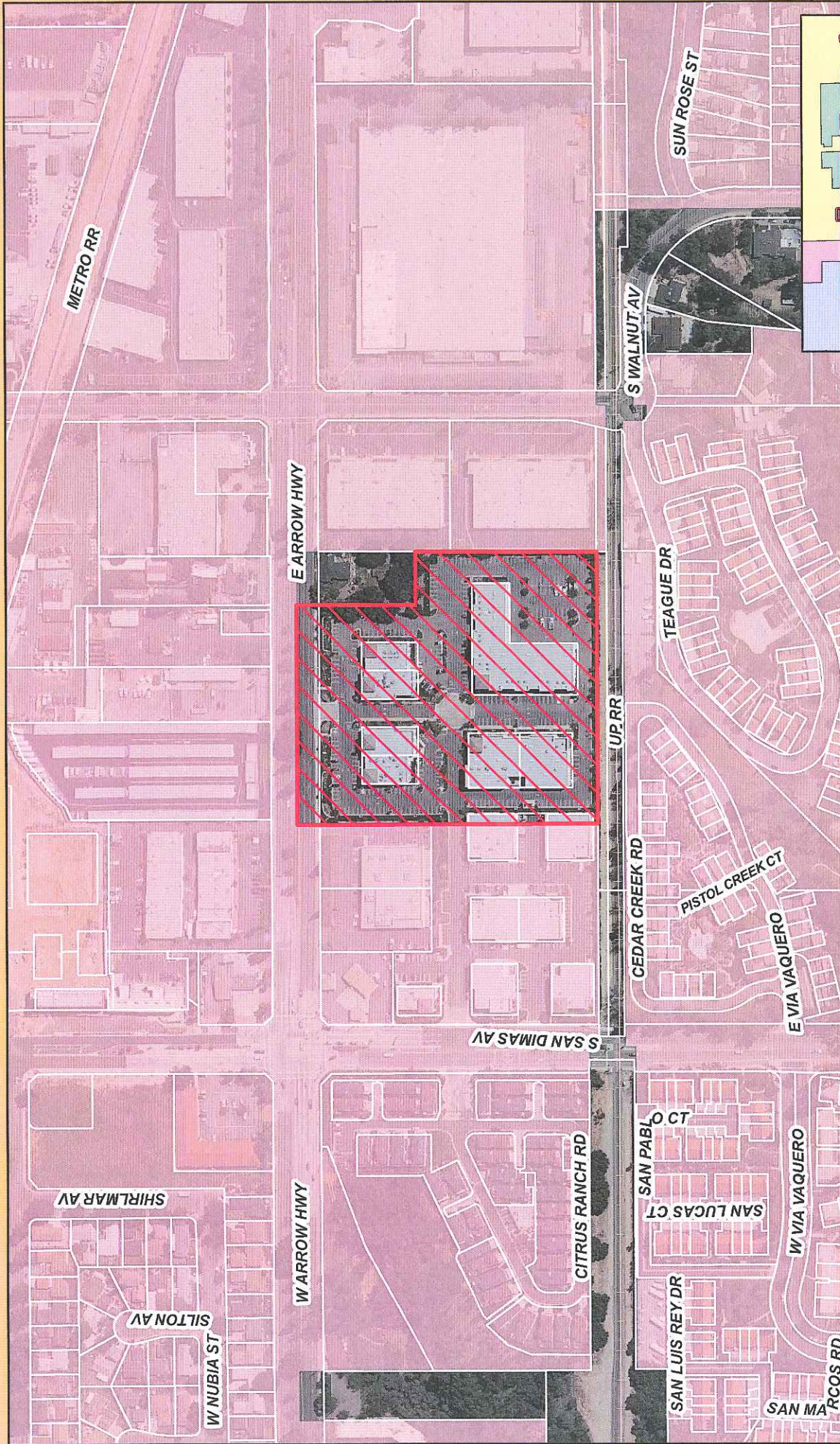
3. The Commission hereby sets the protest hearing for May 8, 2013 at 9:00 a.m. and authorizes and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882.

PASSED AND ADOPTED 13th day of March 2013.

**LOCAL AGENCY FORMATION COMMISSION FOR
THE COUNTY OF LOS ANGELES**

PAUL A. NOVAK, AICP

Executive Officer



Annexation No. 389 to County Sanitation District No. 22

LAFCO
Local Agency Formation Commission
for the County of Los Angeles

350 175 0 350 Feet

Legend

- Los Angeles County Sanitation District No. 22
- City of San Dimas
- CSD Annexation 22-389
- Sphere of Influence, CSD 22

Staff Report

March 13, 2013

Agenda Item No. Number 6.b.

Huntington Municipal Water District (District) Municipal Service Review (MSR), Sphere of Influence (SOI) Adoption for the District, Resolution of Application Initiating Commission Proceedings to Dissolve the District, and Resolution Making Determinations to Dissolve the District and Setting a Date for Protest Proceedings

Agenda Item 6.b. is the conducting of a public hearing, consideration and approval of the Huntington Municipal Water District (District) Municipal Service Review (MSR), adoption of an updated SOI for the District, adoption of a resolution of application for Commission-initiated proceedings to dissolve the District, and adoption of a resolution making determinations dissolving the Huntington Municipal Water District and setting a date for protest proceedings.

Background

Since 1971, LAFCOs have been required to develop and adopt a Sphere of Influence for each city and special district. Government Code Section 56076 defines an SOI as “a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission.”

Developing SOIs is central to the Commission’s purpose. As stated in Government Code Section 56425:

“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the Sphere of Influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

Section 56425(g) further requires that the Commission review and update SOIs “every five years, as necessary.”

In order to prepare and to update a district SOI, the Commission is required, pursuant to Section 56430, to conduct a review of the municipal services in that particular district. Upon the completion of an MSR, the Commission is required to make determinations with respect to the following:

1. Growth and population projections for the affected area;

2. The location and characteristics of any Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the SOI;
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the SOI;
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by Commission policy.

These MSR determinations are addressed in Section 10 of the attached MSR (beginning on Page 49). Pursuant to Government Code Section 56430(b), the MSR has also identified and reviewed all agencies that provide services in or near the District, and has assessed alternatives, in the attached MSR (beginning on Page 17).

In determining a Sphere of Influence, pursuant to Government Code Section 56425, the Commission must consider and make determinations with respect to the following:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The present and probable need for sewers, municipal and industrial water, or structural fire protection services and facilities of any DUC within the existing Sphere of Influence.

These SOI determinations are addressed in Section 3 of the attached Resolution Making Determinations No. 2012-00RMD.

Community History

There are 462 existing single-family dwellings within the boundaries of the Huntington Municipal Water District. This community of largely unincorporated County territory, known as Chapman Woods, is located southeasterly of the City of Pasadena. It is generally bounded by East Del Mar Boulevard on the north, North Rosemead Boulevard on the east, West Huntington Drive on the south, and a Southern California Edison easement (westerly of Madre Street) to the west. A very small portion of the district's territory (at the northwesterly corner) is within the boundaries of the City of Pasadena and is developed with two public schools.

Pursuant to the terms of a 1931 Agreement between the City of Pasadena and the A.B. Chapman Estate, the original developer of the area, the City of Pasadena is responsible for providing water services to Chapman Woods (the contract can be found in Appendix "A" of the MSR, beginning on Page 58). The City further agreed to provide additional water mains and pipes to serve those properties within Chapman Woods that were not then already being served. In addition to receiving a payment of \$125,000, the Chapman Estate also transferred its assets (water tanks, pipelines, meters, as well as all of its water rights) to the city of Pasadena. The City of Pasadena, through its Pasadena Water & Power Division (PWP), has provided uninterrupted service to these properties in Chapman Woods from the time of the Agreement until the present.

There are approximately four vacant, undeveloped lots in Chapman Woods. Pursuant to the terms of the 1931 Agreement, the City of Pasadena would provide water to those properties were they to be developed at a future date.

Huntington Municipal Water District

On January 9, 1960, the Los Angeles County Board of Supervisors certified an election creating the Huntington Municipal Water District. The District was incorporated by the State of California Secretary of State on January 26, 1960. The District is governed by a 5-member board of directors. The District's Board of Directors generally conducts one annual meeting and notifies residences through a homeowners association that covers the same territory.

The District itself does not provide water service to property-owners within its service territory, and does not perform customer services related to the City's delivery of water. As stated previously, PWP has provided water service to residents in this community since the time of the 1931 Agreement with the Chapman Estate. PWP bills residents directly and responds to any inquiry about water rates, billing, or service delivery issues.

The District owns no property, manages no infrastructure, and has no water rights. The District has no staff, nor does it have legal counsel. Outside of an annual meeting, there are no

regularly-scheduled board meetings, nor does the District maintain a website. The District receives roughly \$9,600 in property tax revenues per year (its share of the 1% of property taxes), the majority of which has been utilized for insurance and, once every five years, to prepare financial audits. According to its most recent audited financial statements, the District reports net assets of \$256,522.

Seats on the Board of Directors for the Huntington Municipal Water District have traditionally been filled by an “in-lieu” appointment process by the Los Angeles County Board of Supervisors.

Staff and LAFCO’s consultants have communicated with members of the District’s Board of Directors on several occasions over the past year. As of the timing of this staff report, the District’s Board has not taken a formal position on the proposed dissolution (the Board is scheduled to meet on Friday, March 8th, 2013). A Board representative is expected to be present at the Commission’s public hearing on March 13th.

2004 (“Round One”) Huntington Municipal Water District MSR and SOI Update

On December 8, 2004, the Commission adopted the West San Gabriel Valley Water Services Municipal Services Review and SOI Update. This MSR, prepared by an independent consultant to LAFCO (Dudek and Associates), examined water service delivery for eight cities—municipal utilities like PWP and others—as well as eight special districts, including the Huntington Municipal Water District.

As noted in the 2004 MSR:

- “The Huntington Municipal Water District relies completely on Pasadena Water & Power for delivery and operations of water service in its area.” (Page 29)
- “The District does not own any infrastructure assets; all maintenance needs are handled by PWP.” (Page 29)
- The District “does not have any planned capital improvements.” (Page 36)
- “Customers are paying fees directly to Pasadena Water & Power; the District’s only sources of revenue are secured and unsecured property taxes and interest.” (Page 36)
- “The District’s only expenses are audit fees and insurance.” (Page 41)
- “The Huntington Municipal Water District has no staff; it relies on Pasadena Water & Power to manage the water delivery system. The District does not have a budget or

Capital Improvement Plan, and is not required to adopt an Urban Water Management Plan.” (Page 45)

- “The Huntington Municipal Water District does not have its own rates. Customers pay Pasadena Water & Power directly according to that agency’s current rates.” (Page 49)
- “It is recommended that the Huntington Municipal Water District be given a zero-area sphere of influence. Los Angeles LAFCO should initiate discussions with the District and Pasadena Water & Power to determine if a reorganization of the agencies might increase efficiencies and reach economies of scale.” (Page 51)

The LAFCO staff report came to the same conclusion as Dudek:

- “[S]taff recommends that the Commission adopt a zero sphere of influence for the District as suggested in Dudek’s MSR report.”

The Commission adopted the recommendations in the MSR and staff report and adopted a Zero Sphere of Influence for the Huntington Municipal Water District on December 8, 2004.

Subsequent to the Commission’s adoption of the Zero SOI for the District in 2004, it appears that staff did not proceed thereafter to explore any “reorganization of the agencies” with either the District or PWP representatives. When staff was considering which agencies to examine in the 2013 round of MSRs (“Round Two”), staff recommended that a full MSR be prepared for Huntington. The result is the MSR before the Commission today, as well as the associated recommendation to initiate and conduct proceedings to dissolve the District.

2012-2013 (“Round Two”) Huntington Municipal Water District MSR and SOI Update

On April 11, 2012, the Commission awarded a contract to an independent consultant, Hogle-Ireland, Inc., to prepare a Draft MSR for the Huntington Municipal Water District.

The consulting team assembled by Hogle-Ireland includes both urban planning professionals as well as a water engineer with more than three decades of experience designing, constructing, and managing public water systems.

Staff of Hogle-Ireland met with representatives of Huntington Municipal Water District, the City of Pasadena Water & Power Division, the City of Arcadia, and the East Pasadena Water Company.

On August 23, 2012, LAFCO transmitted a copy of the Administrative Draft MSR to two members of the Huntington Municipal Water District’s Board of Directors. Staff of LAFCO and

Hogle-Ireland also met with District representatives on several occasions. The MSR before the Commission reflects this input.

The current November 2012 MSR prepared by Hogle-Ireland reiterates, and expands upon, many of the findings contained in the previous MSR prepared by Dudek and Associates and adopted by the Commission in December of 2004.

As noted in the November 2012 MSR:

- “A Zero SOI indicates that the agency should cease to exist and that its public service responsibilities should be re-allocated to another unit of local government through consolidation, dissolution or establishment of a subsidiary district.” (Page 6)
- “While no significant operational issues for the District were identified in this MSR it is recommended that LAFCO consider the dissolution of the District in order to increase the efficiency and transparency of current and future water provisions.” (Page 7)
- “As it exists today, the District relies entirely on PWP for the delivery of water, maintenance of water infrastructure, and administrative functions including billing and customer service within the District’s boundaries. The District has no water rights, no legal counsel, no employees, does not own or maintain any water infrastructure or equipment, does not have a published budget, and does not offer or operate any conservation programs.” (Page 13)
- “Although the District has no water rights, water infrastructure, or staff, the District collects revenues from a portion of the County of Los Angeles property tax and interest on reserve funds.” (Page 36)
- “Given that the District has no water rights, no infrastructure, no employees, no legal counsel, no published budget, and relies on PWP to provide water services and related administrative duties, the District has a very limited management role.” (Page 41)
- “For the purpose of this MSR, it is recommended that LAFCO commence proceedings leading to the dissolution of the District.” (Page 46)
- “District residents interact directly with PWP on any water-related issue or concern during the year. This would not change if the District is dissolved.” (Page 52)
- “It is recommended that LAFCO consider the dissolution of the District.” (Page 56).
- If a person were to move into the District’s service area they would more than likely be completely unaware of the District’s existence. The new resident would receive his/her

water bills directly from PWP and if the customer had any service issues, would directly contact PWP.” (Page 56)

Commission-Initiated Proceedings

State law (Government Code Section 56035) defines “dissolution” as “the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the Commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district.”

The Commission is empowered to initiate a proposal to dissolve a special district pursuant to Government Code Section 56375(a)(2)(B) by a resolution of application when a dissolution is consistent with a recommendation or conclusion of a study prepared pursuant to the Commission’s power to initiate and make studies of government agencies as authorized by Government Code Section 56378, the Commission’s adoption of an as authorized by Section 56425, or the Commission’s approval of an MSR as authorized by Section 56430 and subject to making the determinations required by Section 56881(b), as described below.

The Commission is further empowered to dissolve a special district, without confirmation of the voters, subject to certain conditions set forth in Government Code Section 57077.1(c)(2). This section also requires that the Commission action be consistent with a “prior action of the Commission pursuant to Section 56378, 56425, or 56425.” The proposed District dissolution is consistent with previous and recommended Commission studies, MSR, and SOI actions as described:

- Government Code Section 56378 involves initiating studies and requesting information from other government agencies, including “inventorying those agencies and determining their maximum service area and service capacities.” In the course of preparing the current MSR for the Huntington Municipal Water District, LAFCO staff and consultants met with and requested information from the City of Arcadia, the City of Pasadena, and the East Pasadena Water Company. LAFCO staff and consultants also met with these agencies and requested information in the course of preparing the first MSR for the Huntington Municipal Water District in 2004.
- Government Code Section 56425 involves Commission action designating an SOI for a special district. The Commission originally designated a Coterminous SOI on October 26, 1983 (the original adoption of an SOI for the District). On December 8, 2004, the Commission adopted a Zero SOI. Prior to this proposed dissolution, staff is recommending that the Commission adopt a Zero SOI for the Huntington Municipal Water District for the second time.

- Government Code Section 56430 involves the preparation of a Municipal Service Review. Prior to the proposed dissolution, staff is recommending that the Commission adopt the November 2012 Huntington Municipal District Municipal Service Review prepared by Hogle-Ireland, which documents the basis for the recommended dissolution, for the second time.

The appropriate determinations relative to the above-referenced code sections are contained in the attached Resolution of Application for Commission-Initiated Proceedings to Dissolve the Huntington Municipal Water District No. 2012-00.

In order to initiate the dissolution, the Commission must also make the determinations required in Government Code Section 56881(b). This section requires that the Commission, for any district dissolution, determine that the public service costs are likely to be less than or substantially similar to the status quo. PWP has provided uninterrupted water service to residents within the boundaries of the District since the 1930s and would continue to provide water service. In this regard, the costs are likely to be the same as residents currently pay. Section 56881 also requires that the proposed dissolution promote public access and accountability for community services needs and financial resources. As stated previously, the District is not providing water service, has no staff, no legal counsel, no website, and typically only meets once a year. Currently, residents who have issues with service, billing, or water infrastructure contact PWP directly, and would continue to do so going forward upon the dissolution of the District. In this regard, the proposed dissolution promotes public access and accountability by eliminating a duplicative and unnecessary public agency.

The appropriate determinations relative to Government Code Section 56881 are contained in the attached Resolution of Application for Commission-Initiated Proceedings to Dissolve the Huntington Municipal Water District No. 2012-00.

In order for the Commission to order the dissolution of a special district, the Commission must conduct at least one noticed public hearing, and also must conduct noticed protest proceedings. The March 13, 2013 meeting of the Commission serves as the noticed public hearing. Staff has provided the necessary public notice. This included mailing a hearing notice to all landowners and registered voters within the District, as well as publishing a copy of the notice in the newspaper. Additionally, one of the recommended actions is to set and notice a protest hearing for the Commission meeting of May 8, 2013.

LAFCO staff has taken extra steps to give more than the minimum notice required for these proceedings and to state in its public hearing notice that these recommendations would not change the PWP provision of water. Because the combined number of registered voters (850+/-) and landowners (450+/-) within the boundaries of the District exceeds 1,000 mailing labels, Government Code Section 56157(h) allows LAFCO to provide notice by publishing a one-eighth page notice in a newspaper, and dispense with mailing individual notices. Despite this code section, and because a dissolution is proposed, staff nevertheless chose to mail out the notices to

all registered voters and landowners as well, exceeding the minimum notice required by law. With respect to the protest proceedings hearing, currently scheduled for May 8th, 2013, staff plans to again voluntarily exceed the minimum notice required and mail out the notices to all registered voters and landowners as well.

Effects of Dissolution and "Successor Agency"

Once a dissolution is effective, "the district shall be dissolved, disincorporated, and extinguished, its existence shall be terminated, and all of its corporate powers shall cease, except as the commission may otherwise provide pursuant to Section 56886 or for the purposes of winding up the affairs of the district," pursuant to Government Code Section 57450.

The Commission designates a "successor agency" to wind up the affairs of the dissolved district upon the dissolution of an independent special district. The designation of the successor agency is based upon a statutory formula comparing where the assessed value of taxable properties within the District lies in relation to the city and the county, pursuant to Government Code Section 57451(c). In this instance, because all of the assessed value of district territory is within County unincorporated territory, the successor agency would be the County of Los Angeles. The only areas within the District that are not within County unincorporated territory are Willard Elementary School (301 South Madre Street) and Woodrow Wilson Middle School (300 South Madre Street) in the City of Pasadena. Because these properties are publicly-owned, they are not "taxable" properties for purposes of determination of the successor agency.

The County, acting as the successor agency for the District, would be charged with dividing "all moneys" of the District "to each city or county in the proportion that the assessed value of the taxable property of the dissolved district within the incorporated territory of each city or within the unincorporated territory of each county shall bear to the total assessed value of all taxable property within the dissolved district," pursuant to Government Code Section 57457(c)(2)

As noted previously, the sole asset of the Huntington Municipal Water District is the accumulation of property tax revenues, and some interest. According to its most recent audited financial statements, the District reports net assets of \$256,522. This is money which was collected from Chapman Woods property-owners, in the form of property taxes paid since 1960, and accrued interest.

In the case of this District, the County, acting as the successor agency, would distribute those funds to the County (essentially, to itself) after winding up any outstanding District matters. Staff has not identified any other duties or obligations that are likely to burden the County acting in its capacity as the successor agency to the Huntington Municipal Water District.

The funds "of a dissolved district which have been impressed with any public trust, use or purpose shall continue to be so impressed" consistent with Government Code Section 57462.

Once those funds have been distributed to the County, the funds “may be used for any lawful purpose of the city, county, or district to which the funds, money, or property have been distributed,” consistent with Government Code Section 57463. This section, additionally, requires that, “so far as may be practicable,” these funds “shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved district.” These issues are addressed in Section in Sections 6.d and 6.e of the attached Resolution Making Determinations No. 2012-RMD.

There will also be a corresponding property tax allocation if the proposed dissolution is completed. Specifically, Revenue & Taxation Code Section 99.a empowers the Los Angeles County Auditor-Controller to “adjust the allocation of property tax revenue . . . for local agencies whose service area or service responsibility would be altered by the jurisdictional change” (in this instance, the “jurisdictional change” is the dissolution of the Huntington Municipal Water District). The appropriate determination is contained in Section 6.g of the attached Resolution No. 2012-00 RMD.

The Commission is empowered to impose terms and conditions” of a dissolution, pursuant to Government Code Section 56886. The terms and conditions associated with the dissolution of the Huntington Municipal Water District are found in Section 6 of the attached Resolution Making Determinations No. 2012-RMD. As noted elsewhere in this report, terms and conditions address the designation of a successor agency, distribution of District funds, disbursement of funds by the County of Los Angeles, protest proceedings, and the allocation of property tax revenue for the territory in the area formerly occupied by the Huntington Municipal Water District

Protest Proceedings

One of the recommendations herein is that the Commission conduct protest proceedings on May 8th, 2013. Government Code Sections 57077.1(c)(2) and 57078 provide the majority protest threshold for this special district. At the later noticed protest hearing, a majority protest occurs if at least fifty-percent (50%) of the registered voters residing in the territory file, and do not withdraw, written protests, prior to the conclusion of the noticed protest hearing proposed to be scheduled on May 8th, 2013. The Commission is required to terminate all dissolution proceedings if there is a majority protest. If there is no majority protest, the Commission shall order the dissolution without an election.

California Environmental Quality Act (CEQA)

MSRs are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded. The preparation and adoption of an MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15262.

As set forth in State CEQA Guidelines section 15061, adoption of the SOI Update and Dissolution of the District is not subject to the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the Sphere of Influence Update and Dissolution will have a significant effect on the environment. These recommendations are not a project for purposes of CEQA because they are organizational activities of governments with no direct nor indirect effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.

Subsidiary District

With respect to the District, staff did consider the potential of creating a “subsidiary district,” whereby the District would be absorbed as a subsidiary of the City of Pasadena. However, Government Code Section 57105 requires that a city can be designated as a subsidiary district only if at least seventy-percent (70%) of the land within the district and seventy-percent (70%) of the registered voters within the district are city residents. In this case, because the majority of the District’s service area is County unincorporated territory, a subsidiary district under the jurisdiction of the City of Pasadena cannot be created.

Staff Analysis

Staff concurs with the recommendations in the November 2012 Huntington Municipal Water District Municipal Service Review, specifically, that the Commission should adopt a Zero SOI and that the Commission should initiate and conduct proceedings necessary to dissolve the District.

PWP has been providing uninterrupted water service to residents living within the boundaries of the Huntington Municipal Water District since 1931. PWP secures water for these customers, operates and maintains all infrastructure necessary to deliver that water, and bills customers directly. Residents interact exclusively with PWP staff for service connections, water rate and billing inquiries, and service delivery issues.

PWP representatives were very cooperative in addressing consultant and LAFCO inquiries relative to Huntington Municipal Water District. PWP representatives noted that their obligation to provide water in this community is a function of the City’s 1931 Agreement with the Chapman Estate, and that obligation continues indefinitely, irrespective of whether the Huntington Municipal Water District exists or not.

Prior to the creation of the District—since 1931—these services have been provided directly by PWP, and there is no reason to believe that anything would occur that would change that relationship. There is, therefore, no compelling public policy reason for the District to continue to exist.

At LAFCO's request, the County provided its original file relative to the original request in the late 1950s to create the District. LAFCO staff reviewed the file and could not determine the reason why the District was created. Anecdotally, it appears that in the late 1950s, due to a desire not to be served by another interested water district, residents banded together to form the Huntington Municipal Water District.

Members of the District's board of directors—particularly Harold Hennacy—were extremely cooperative, helpful, and gracious in assisting Hogle-Ireland and LAFCO staff in the preparation of the November 2012 MSR. Mr. Hennacy provided a complete copy of the original 1931 Agreement between the Chapman Estate and the City of Pasadena, a critical piece of information that was not identified when LAFCO prepared the original 2004 MSR. Further, board-members appeared to keep reasonable records, produce audits as required, and manage District assets (essentially the District's bank account) in a professional and responsible manner.

Given the scarce resources available to public agencies, staff concludes that it makes little or no sense to apportion a share of property taxes to a water district that is not directly providing water service to its customers. Upon its dissolution, the Los Angeles County Auditor-controller would re-assign the District's share of property taxes to other taxing agencies.

Conclusions

As far back as the 1930s, PWP has provided uninterrupted water service in this community. PWP continues to provide water service, and the Commission recognized this in 2004 when it adopted a Zero SOI for the Huntington Municipal Water District. Two independent consultants (Dudek & Associates in 2004 and Hogle-Ireland in 2012) prepared MSRs recommending a Zero SOI for the District, essentially calling for LAFCO to consider its dissolution.

Government Code Section 56881 requires that the Commission, for any district dissolution, determine that the public service costs are likely to be less than or substantially similar to the status quo. PWP has provided uninterrupted water service to residents within the boundaries of the District since the 1930s and would continue to provide water service. In this regard, the costs are likely to be the same as residents currently pay. Section 56881 also requires that the proposed dissolution promotes public access and accountability. As stated previously, the District is not providing water service, has no staff, no legal counsel, no website, and typically only meets once a year. Currently, residents who have issues with service, billing, or water infrastructure contact PWP directly, and would continue to do so going forward upon the dissolution of the District. The proposed dissolution therefore promotes public access and accountability by eliminating a duplicative and unnecessary public agency.

In light of the repeated determinations of studies and MSR and SOI documents in 2004 and 2012, Commission action to initiate and conduct proceedings on District dissolution and to make

the relevant determinations on public policy are supported by and consistent with the record, and are authorized by governing provisions the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Staff Recommendation:

The attached report, map, and resolution reflect the recommendations of the consultant and LAFCO staff.

In consideration of information gathered and evaluated for the proposed actions relative to the Huntington Municipal Water District, staff recommends that the Commission:

- 1) Open the public hearing and receive testimony on the November 2012 Huntington Municipal Water District MSR, SOI Adoption for the District, and the Commission-initiated proposed Dissolution of the District;
- 2) There being no further testimony, close the public hearing;
- 3) Adopt a finding that approval of the Huntington Municipal Water District MSR, SOI Adoption for the District, and the Commission-initiated proposed Dissolution of the District are not subject to the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the MSR approval, SOI adoption, and proposed Dissolution will have a significant effect on the environment. These recommendations are not a project for purposes of CEQA because they are organizational activities of governments with no direct nor indirect effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.
- 4) Adopt the November 2012 Huntington Municipal Water District Municipal Service Review and the determinations contained in the report pursuant to Government Code Sections 56378 and 56430;
- 5) Adopt a Zero SOI for the Huntington Municipal Water District, pursuant to Government Code Section 56425, and as shown on the enclosed map;
- 6) Adopt the attached Resolution of Application Initiating Commission Proceedings to Dissolve for the Huntington Municipal Water District, pursuant to Government Code Section 56375(a)(2)(B);
- 7) Adopt the attached Resolution Making Determinations and Dissolving the Huntington Municipal Water District; and

- 8) Pursuant to Government Code Sections 57002 and 570771(c)(2), set May 8th, 2013, at 9:00 a.m. as the date and time for Commission protest proceedings and direct the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.

Attachments:

- November 2012 Huntington Municipal Water District Municipal Service Review
- Huntington Municipal Water District Map Sphere of Influence Map
- Huntington Municipal Water District Financial Statements for the Years Ended June 30, 2007, 2008, 2009, 2010, and 2011 (January 15, 2013).

RESOLUTION NO. 2012-00

**RESOLUTION OF APPLICATION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES FOR
COMMISSION-INITIATED PROCEEDINGS TO DISSOLVE THE
HUNTINGTON MUNICIPAL WATER DISTRICT**

WHEREAS, the Huntington Municipal Water District (District) was formed by the Los Angeles County Board of Supervisors on January 9, 1960, and was incorporated by the State of California Secretary of State on January 26, 1960;

WHEREAS, the Huntington Municipal Water District is a legally-established municipal water district pursuant to Division 20 of the State of California Water Code;

WHEREAS, territory within the boundaries of the Huntington Municipal Water District includes 462 single-family homes in a community known as “Chapman Woods” in unincorporated County territory (with the exception of two schools that are located within the City of Pasadena), generally located southeasterly of the City of Pasadena in the San Gabriel Valley;

WHEREAS, the Local Agency Formation Commission for the County of Los Angeles County (the “Commission”), is required, pursuant to Government Code Section 56000 *et seq* (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 adopted a Coterminous Sphere of Influence (Coterminous SOI), wherein the boundaries of the District and its SOI are the same, for the Huntington Municipal Water District, on October 26, 1983;

WHEREAS, Dudek and Associates, a consultant to LAFCO prepared the Final Municipal Service Review for Water Services for the West San Gabriel Valley on December 8, 2004, which examined several water districts, including the Huntington Municipal Water District;

WHEREAS, the Commission approved the Final Municipal Service Review for Water Services for the West San Gabriel Valley, and, based upon the recommendation in the MSR, the Commission adopted a Zero Sphere of Influence (Zero SOI) for the Huntington Municipal Water District on December 8, 2004;

WHEREAS, Hogle-Ireland, a consultant to LAFCO, has prepared a new Huntington Municipal Water District Municipal Service Review (MSR) for the Huntington Municipal Water District, dated November 2012;

WHEREAS, the November 2012 Huntington Municipal Water District Municipal Service Review was prepared pursuant to Government Code Sections 56425 and 56430;

WHEREAS, the November 2012 Huntington Municipal Water District Municipal MSR recommends that the Commission adopt a Zero SOI and dissolve the Huntington Municipal Water District;

WHEREAS, in accordance with Government Code Section 56375(a)(2)(B), LAFCO may initiate proposals by resolution of application for the dissolution of a district;

WHEREAS, in accordance with Government Code Section 56375(a)(3), LAFCO may initiate the dissolution of a district if it is consistent with a recommendation or conclusion of a study pursuant to Government Code Sections 56378, 56425, or 56430, and LAFCO makes the

determinations specified in Section 56881(b);

WHEREAS the Commission has initiated studies and requested information from other government agencies, including inventorying those agencies and determining their maximum service area and service capacities, consistent with Government Code Section 56378;

WHEREAS the Commission originally designated a Zero SOI for the District on December 8, 2004;

WHEREAS the November 2012 Huntington Municipal Water District Municipal Service Review (MSR) for the Huntington Municipal Water District, prepared pursuant to Government Code Section 56430, recommends that the Commission dissolve the District;

WHEREAS, in accordance with Government Code Section 56375(a)(3), the Commission hereby makes the determinations specified in Section 56881(b) that the public service costs are likely to be less than or substantially similar to the status quo, as the City of Pasadena Water & Power Department (PWP) has provided uninterrupted water service to residents within the boundaries of the District since the 1930s and would continue to provide water service, and, in this regard, the costs are likely to be the same as residents currently pay;

WHEREAS, Government Code Section 56035 defines dissolution as “the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the Commission may otherwise provide pursuant to Section

56886 or for the purpose of winding up the affairs of the district;" and

WHEREAS, on March 13th, 2013, after being duly and properly noticed, this Resolution of Application and proposal for District dissolution came up 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 hereby initiates proceedings to dissolve the Huntington Municipal Water District, as authorized pursuant to Government Code Section 56375(a)(2)(B);
2. The Commission initiates this dissolution, which is consistent with and based upon prior studies and information requested from other government agencies, pursuant to Government Code Section 56378;
3. The Commission initiates this dissolution, which is consistent with and based upon prior actions of the Commission pursuant to the Commission's adoption of a Zero SOI for the District on December 8, 2004, pursuant to Government Code Section 56425.
4. The Commission initiates this dissolution, which is consistent with and based upon prior actions of the Commission relative to the November 2012 Huntington Municipal Water

District Municipal Service Review (MSR), which includes a recommendation to dissolve the district, pursuant to Government Code Section 56425 and 56430;

5. Pursuant to Government Code Section 56881(b)(1), the Commission hereby determines that the public service costs are likely to be less than or substantially similar to the status quo, as the City of Pasadena Water & Power Department (PWP) has provided uninterrupted water service to residents within the boundaries of the District since the 1930s and would continue to provide water service, and, in this regard, the costs are likely to be the same as residents currently pay;
6. Pursuant to Government Code Section 56881(b)(2), the Commission hereby determines that the proposed dissolution promotes public access and accountability, in that the District is not providing water service, has no staff, no legal counsel, no website, and typically only meets once a year; and, further, that residents who currently have issues with service, billing, or water infrastructure contact PWP directly, and would continue to do so going forward upon the dissolution of the District; and, in these regards, the proposed dissolution promotes public access and accountability by eliminating a duplicative and unnecessary public agency;
7. As set forth in State CEQA Guidelines section 15061, the Commission finds that the proposed actions are exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the proposed Dissolution will have a significant effect on the environment.
8. The Commission finds that the proposed actions are not a project for purposes of CEQA because they are an organizational activity of government with no direct nor indirect

effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.

PASSED AND ADOPTED this 13th day of March, 2013.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS
ANGELES**

PAUL NOVAK, Executive Officer

RESOLUTION NO. 2012-00RMD

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES MAKING DETERMINATIONS
APPROVING A MUNICIPAL SERVICE REVIEW, ADOPTING A ZERO SPHERE OF
INFLUENCE, AND DISSOLVING THE HUNTINGTON MUNICIPAL WATER
DISTRICT**

WHEREAS, the Huntington Municipal Water District was formed by the Los Angeles County Board of Supervisors on January 9, 1960, and was incorporated by the State of California Secretary of State on January 26, 1960;

WHEREAS, the Huntington Municipal Water District is a legally-established municipal water district pursuant to Division 20 of the State of California Water Code;

WHEREAS, territory within the boundaries of the Huntington Municipal Water District includes 462 single-family homes in a community known as "Chapman Woods" in unincorporated County territory (with the exception of two schools that are located within the City of Pasadena), generally located southeasterly of the City of Pasadena in the San Gabriel Valley;

WHEREAS, the Local Agency Formation Commission for the County of Los Angeles County (the "Commission"), is required, pursuant to Government Code Section 56000 *et seq* (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 adopted a Coterminous Sphere of Influence (Coterminous SOI), wherein the boundaries of the District and its SOI are the same, for the Huntington Municipal Water District, on October 26, 1983;

WHEREAS, Dudek and Associates, a consultant to LAFCO, prepared the Final Municipal Service Review for Water Services for the West San Gabriel Valley on December 8,

2004, which examined several water districts, including the Huntington Municipal Water District;

WHEREAS, the Commission approved the Final Municipal Service Review for Water Services for the West San Gabriel Valley, and, based upon the recommendation in the MSR, the Commission adopted a Zero Sphere of Influence (Zero SOI) for the Huntington Municipal Water District on December 8, 2004;

WHEREAS, Hogle-Ireland, a consultant to LAFCO, has prepared a Huntington Municipal Water District Municipal Service Review (MSR) for the Huntington Municipal Water District, dated November 2012;

WHEREAS, the November 2012 Huntington Municipal Water District Municipal Service Review was prepared pursuant to Government Code Sections 56425 and 56430;

WHEREAS, the November 2012 Huntington Municipal Water District Municipal MSR recommends that the Commission adopt a Zero SOI and dissolve the Huntington Municipal Water District;

WHEREAS, in accordance with Government Code Section 56375(a)(2)(B), the Commission has adopted a resolution of application for Commission-initiated proceedings to dissolve the District;

WHEREAS, in adopting said resolution or application for Commission-initiated proceedings to dissolve the District, the Commission made the necessary findings pursuant to Government Code Sections 56375(a)(3) and 56881(b);

WHEREAS, the Executive Officer has submitted to the Commission a staff report relative to the Huntington Municipal Water District MSR, including proposed determinations

and recommendations that the Commission approve the MSR and adopt a Zero SOI for the Huntington Municipal Water District;

WHEREAS, the Executive Officer's report recommends that the Huntington Municipal Water District be dissolved;

WHEREAS, in accordance with Government Code Section 56375(a)(3), LAFCO may initiate a dissolution if it is consistent with a recommendation or conclusion of a study pursuant to Government Code Sections 56425 and 56430, and LAFCO makes the determinations specified in Section 56881(b);

WHEREAS, Government Code Section 56035 defines dissolution as "the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the Commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district;"

WHEREAS, on March 13th, 2013, after being duly and properly noticed, this matter came up 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;

WHEREAS, Government Code Section 57077.1(c)(2) allows the Commission to order a dissolution after conducting a noticed public hearing and a noticed protest hearing, and in that the public hearing has been noticed for March 13, 2013 and that that said protest hearing will be noticed and is scheduled for May 8th, 2013, at 9:00 a.m.; and

WHEREAS, pursuant to Government Code Section 56156 and 56157, in advance of the public hearing, the Commission has mailed a timely written notice to all registered voters and landowners within the boundaries of the District, as well as published a notice in compliance with all requirements.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. As set forth in State CEQA Guidelines section 15061, the Commission finds that the approval of the proposed actions, approval of this MSR, adoption of a Zero SOI, and dissolution of the Huntington Municipal Water District is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty on these facts that there is no possibility that these actions will have a significant effect on the environment.
2. The Commission further finds that these actions, approval of this MSR, adoption of a Zero SOI, and dissolution of the Huntington Municipal Water District, are not a project for purposes of CEQA because they are an organizational activity of government with no direct nor indirect effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.
3. In accordance with Government Code Sections 56425 and 56430, the Commission adopts the following written determinations for Huntington Municipal Water District:

Present and Planned Land Uses in the Area. The 316-acres within the boundaries of the Huntington Municipal Water District include a population of approximately 1,000 residents. The area is developed with single-family dwellings, and there are only four vacant parcels. No significant growth is anticipated.

Present and Probable Need for Public Facilities and Services in the Area. The City of Pasadena Water & Power Division (PWP) provides water services to the

District in accordance with the terms of a 1931 Agreement between the City of Pasadena and Chapman Estates, the original developer of the area. PWP has provided uninterrupted water service to the Chapman Woods community since 1931. Given that the area is fully built out, PWP has the future capacity to continue to serve this community. PWP has no infrastructure needs nor deficiencies that would impede it from continuing to provide water service.

Present Capacity of Public Facilities and Adequacy of Public Service that the Agency Provides or is Authorized to Provide and Financial Ability of Agencies to Provide Services. The District does not have any water rights, infrastructure, nor staff to provide water service in the District. PWP relies on an intricate system of water sources and facilities to provide a safe and reliable supply to its customers. PWP currently relies on groundwater, surface supplies, and imported water purchased from the Metropolitan Water District (MWD). PWP has also developed a Water Integrated Resources Plan (WIRP) to provide an overall long-term water resources strategy through the year 2035. PWP's WIRP relies on increased water conservation and use of local rather than imported water supplies to meet their future demands. Future water sources include but are not limited to recycled water, surface water diversion, and groundwater storage using MWD replenishment water. PWP has no infrastructure needs nor deficiencies that would impede it from continuing to provide water service.

Existence of Any Social or Economic Communities of Interest: There are no distinct social and economic communities of interest within the boundaries of the territory served by the Huntington Municipal Water District.

The present and probable need for sewers, municipal and industrial water, or structural fire protection services and facilities of any Disadvantaged Unincorporated Community (DUC) within the existing Sphere of Influence. There are no DUCs within nor adjacent to the Huntington Municipal Water District.

Growth and Population Projections for the Affected Area. The area is fully built out with a population of approximately 1,000 people. Given that there are only four known undeveloped properties, no significant future growth is anticipated.

Status of, and opportunities for Shared Facilities. As noted in the MSR, there are no opportunities for joint ventures or shared facilities with the two other service providers in the vicinity of the District (the City of Arcadia or the East Pasadena Water Company).

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies. Members of the District's board of directors are generally appointed "in-lieu" of contested elections. The District does not

maintain a website and generally meets only once a year. Because PWP has provided uninterrupted water service since the 1930s and continues to provide water service in the community, in the interest of efficiency it is entirely appropriate to dissolve the District.

4. In accordance with Government Code Section 56886(r), which authorizes the Commission to provide for the continuation or provision of any service provided at that time, the Commission hereby determines that PWP will continue to provide water service to property-owners within the former boundaries of the former Huntington Municipal Water District upon the District's dissolution, as PWP is required to do under a 1931 Agreement between the City of Pasadena and the A. E. Chapman Estate, the original developer of Chapman Woods.
5. The Commission adopts a Zero Sphere of Influence for the Huntington Municipal Water District, as identified in the map entitled "Huntington Municipal Water District Sphere of Influence."
6. The Huntington Municipal Water District is hereby dissolved subject to the following terms and conditions:
 - a. In accordance with Government Code Sections 57451(c) and 56886(m), the Commission hereby designates the County of Los Angeles as the successor agency for the District, tasked with winding up the affairs of the District;
 - b. In accordance with Government Code Section 56886(i), the funds maintained in any and all bank accounts by the Huntington Municipal Water District shall be conveyed to the County of Los Angeles as the successor agency;

- c. Prior to the transfer of funds from the Huntington Municipal Water District to the County of Los Angeles, the District shall pay and satisfy any and all outstanding obligations;
 - d. The County of Los Angeles, acting as the successor agency, shall disburse the funds received from the Huntington Municipal Water District to the County of Los Angeles, consistent with Government Code Section 57457(c)(2);
 - e. The funds referenced in Section 7.d (above) “may be used for any lawful purposes” of the County of Los Angeles, and further, “so far as may be practicable, the funds . . . shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved district,” consistent with Government Code Section 57463;
 - f. As required by Government Code Section 57078, the dissolution of the Huntington Municipal Water District is subject to majority protest proceedings; and
 - g. The County of Los Angeles Auditor-Controller shall adjust the allocation of property tax revenue for the territory in the area formerly occupied by the Huntington Municipal Water District pursuant to its authority and obligations under the Revenue & Taxation Code.
7. The Commission sets the protest hearing for May 8th, 2013, at 9:00 a.m. as the date and time for Commission protest proceedings, and authorizes and directs the Executive Officer to give notice thereof pursuant to Government Code Section 57025 and 57026.

8. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882.

PASSED AND ADOPTED this 13th day of March, 2013.

Ayes:

Noes:

Absent:

Abstain:

**LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS
ANGELES**

PAUL NOVAK, Executive Officer

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

Huntington Municipal Water District

Municipal Service Review

November 2012



Prepared for:

**Local Agency Formation Commission
for the County of Los Angeles**
80 South Lake Avenue, Suite 870
Pasadena, CA 91101

Prepared by:

Hogle-Ireland, Inc.
801 N. Harbor Blvd., Suite 201
Fullerton CA, 92832

Huntington Municipal Water District Municipal Service Review

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Prepared by:



Hogle-Ireland, Inc.
801 North Harbor Blvd., Suite 201
Fullerton, CA 92606

**Huntington Municipal
Water District**
Municipal Service Review

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1. Executive Summary

A Municipal Service Review (MSR) is a comprehensive study to determine the adequacy of governmental services being provided by the local agencies under the Local Agency Formation Commission (LAFCO). The MSR is used by LAFCO, other governmental agencies, and the public to better understand and improve the provision of services and to identify opportunities for greater cooperation between service providers. The purpose of this MSR is to evaluate the Huntington Municipal Water District (District) for the Local Agency Formation Commission for the County of Los Angeles (LAFCO).

An MSR allows LAFCO to evaluate how agencies currently provide municipal services within the MSR study area and to evaluate the impacts on those services from future growth and other changes that may occur in the study area over the next 10 to 20 years. The MSR report is also required to identify potential opportunities to address any shortfalls, gaps, opportunities for increased efficiency and/or impacts on services and governmental structure that may currently exist or are anticipated in the future. MSRs are also required to be conducted prior to, or concurrent with, sphere of influence (SOI) updates.

Beginning in 2001, Local Agency Formation Commissions (LAFCOs) were mandated to review and, as necessary, update the SOI of each city and special district. SOIs are boundaries, determined by LAFCO, which define the logical, ultimate service area for cities and special districts. No SOI can be updated, however, unless LAFCO first conducts a MSR. The mandate to conduct MSRs is part of the Cortese-Knox-Hertzberg (CKH) Act of 2000. Per Section 56425 of the CKH Act, LAFCO must review and if necessary, update each SOI at least every five years.

The MSR and SOI update are one of many LAFCO responsibilities, but is often considered the most important as it provides the mechanism to shape the orderly and logical development of the local government agencies. The MSR process consists of three primary processes:

- **The Municipal Service Review Report** reviews the agency/focus area of service delivery. Additionally, the agency's infrastructure, governance functions, and capacity based on projected growth in the area are evaluated along with any identified issues, needs and/or deficiencies. The MSR process then requires responses to specific questions or "determinations" as described below:

Huntington MSR

- ▶ Growth and population projections for the affected area.
 - ▶ Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
 - ▶ Financial ability of agencies to provide services.
 - ▶ Status of, and opportunities for, shared facilities.
 - ▶ Accountability for community service needs, including governmental structure and operational efficiencies.
 - ▶ Any other matter related to effective or efficient service delivery, as required by LAFCO.
 - ▶ The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- ▶ **The Stakeholder Input Process** provides a forum for representatives from the stakeholder agencies, to provide information in preparation of the MSR and to identify issues gaps or opportunities for efficiencies not otherwise reflected in this report. A summary of the stakeholder input and comments are included in **Section 3: Key Findings and Research**.
- ▶ **The Sphere of Influence Update** is the third part of the MSR process. Based on the information in the MSR report, LAFCO Staff's recommendation, and stakeholder input LAFCO will make a decision to retract, expand, or maintain the existing SOI boundaries.

1.1 Huntington Municipal Water District MSR Summary

This MSR evaluates the study area defined by the jurisdictional boundary of the Huntington Municipal Water District (District). The District's service territory is located primarily within the unincorporated Los Angeles County adjacent to the southeast corner of the City of Pasadena. The District is generally bordered by East Del Mar Boulevard to the north, North Rosemead Boulevard to the east, West Huntington Drive to the south, and an approximately 250 foot wide Southern California Edison easement to the west. The District's service area encompasses approximately 316 acres or half a square mile. In accordance with the previous MSR that was prepared in 2005 for the District, the Commission adopted a Zero SOI. A Zero SOI indicates that the agency should cease to exist and that its public service responsibilities should be re-allocated to another unit of local government through consolidation, dissolution or establishment as a subsidiary district.

In accordance with a 1931 Agreement between the City of Pasadena and A.B. Chapman Estate, the original developer of the area, the City of Pasadena Department of Water & Power (PWP), a municipal utility of the City of Pasadena is responsible for providing all water services to the District's jurisdictional boundaries. The District has no water rights, no water infrastructure, no employees, no legal counsel, and does not offer or operate any conservation programs. Customers within the District's boundaries receive a bill directly from PWP at a rate that is consistent with what other customers within the unincorporated area of Los Angeles County, but within PWP's service area, pay. This rate is approximately 28% higher than what customers within the Incorporated City of Pasadena pay.

While no significant operational issues for the District were identified in this MSR it is recommended that LAFCO consider the dissolution of the District in order to increase the efficiency and transparency of current and future water provisions. A summary of the required determinations and recommendations based on an analysis of the District's functions, structure, service provisions, and opportunities for shared facilities is provided below. Please refer to **Section 10: Determinations and Findings** for a detailed discussion of the MSR's determinations.

Growth and population projections

The District's service area is currently built out with a population of approximately 1,000 people. There is no future growth projected in the District that would negatively impact the District's or PWP's service capacity.

Present and planned capacity of public facilities including infrastructure needs or deficiencies

The District and PWP has no infrastructure needs or deficiencies that would impede them from continuing to provide water services to the District.

Financial ability of agencies to provide services

The District and PWP have no identified financial constraints.

Status of, and opportunities for, shared facilities

In accordance with the 1931 Agreement between the City of Pasadena and the District, PWP has provided and continues to provide water services to the District.

In order to enhance the operational efficiencies of both the District and PWP, it is recommended that LAFCO consider the dissolution of the District. It is further recommended that LAFCO consider dissolving the District and to have PWP continue its responsibilities of the provision of water services.

Accountability of community service needs

The District is governed by a five-member board that meets on a yearly basis. Even though the District relies on PWP to provide water services, infrastructure, and administrative functions, as a municipal agency the District has a responsibility to ensure that the operations and budget of the District are easily accessible to the public. The District does not have a website to make the public aware of their activities and operations.

Any other matter related to effective or efficient service delivery

Although the District has a nominal role in providing water services to the customers within its service area, the District maintains a reserve fund of approximately \$247,000.00 and collects an annual share of the property taxes of approximately \$9,600.00. It is recommended that LAFCO consider the dissolution of the District and have PWP continue to provide water services as the successor agency. It is further recommended that the money collected by the District from the County of Los Angeles property taxes be transferred to PWP. The District's reserve fund should also be transferred to PWP; however these funds should be held in a separate account that can only be used to fund any capital improvements or repairs needed for the infrastructure that currently serves the District.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

Senate Bill 244, recently enacted on February 10, 2011, imposed state mandates on local governments, including cities, counties and LAFCOs. This bill requires LAFCO to make determinations regarding "disadvantaged unincorporated communities." A "Disadvantaged community" is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. "Severely disadvantaged community" means a community with a median household income less than 60 percent of the statewide average (Water Code Section 79505.5).

The unincorporated area of the District is generally located within a single census tract that is not considered to be a disadvantaged community. In fact, the census tract where the District is located has an annual median household income that well exceeds the statewide annual median household income. Please refer to **Section 10: Determinations and Findings.**

**Huntington Municipal
Water District**
Municipal Service Review

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2. Agency Profile

The District is located adjacent to the southeast corner of the City of Pasadena, primarily within the unincorporated area of Los Angeles County. The District's service area is generally located south of East Del Mar Boulevard, west of North Rosemead Boulevard, north of West Huntington Drive, and east of an approximately 250 foot wide Southern California Edison easement. The District's service area is approximately 316 acres or half a square mile and serves approximately 470 water connections with a population of 1,000 people. The District has a Zero SOI. **Exhibit 2-1 – Regional and Vicinity Map**, depicts the District's service boundaries.

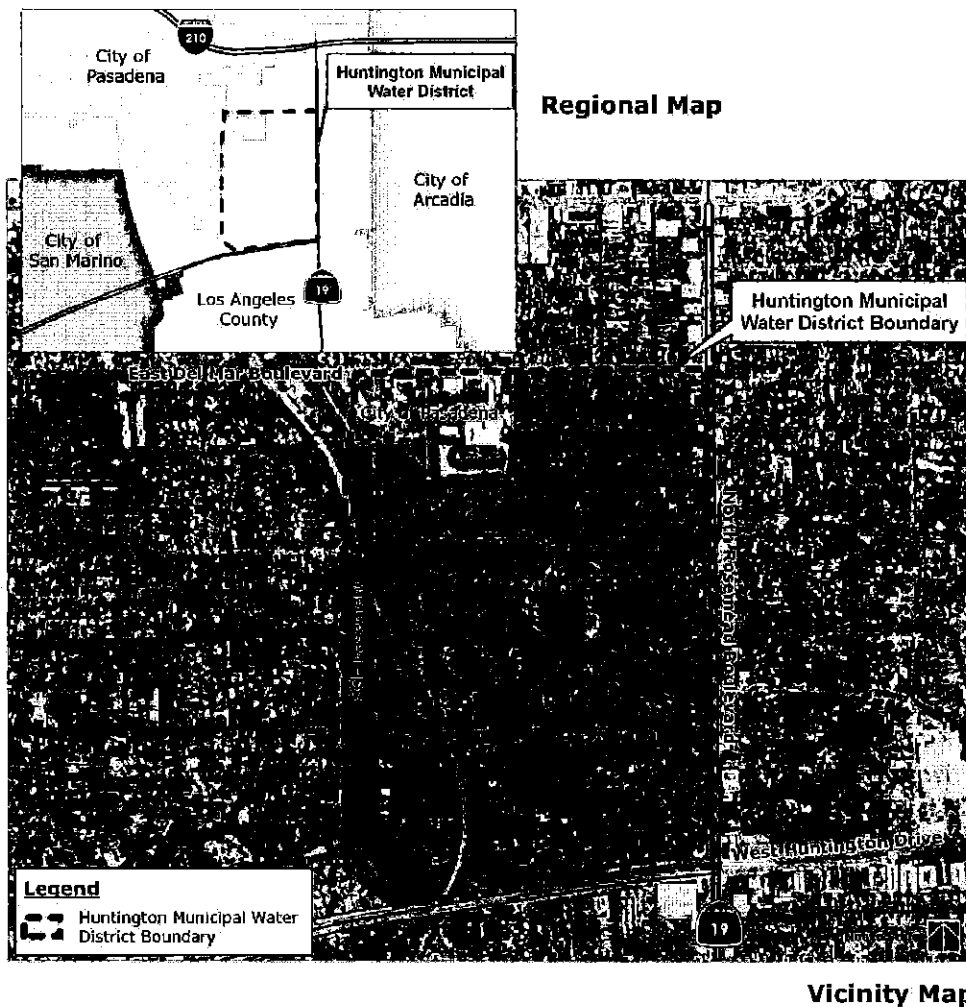


Exhibit 2-1:
Regional and Vicinity Map

Huntington MSR

The District is primarily located within the unincorporated area of Los Angeles County with an approximately 27-acre area that lies within the City of Pasadena. This 27-acre area includes the Boys & Girls Club of Pasadena as well as Willard Elementary School and Wilson Middle School, which are both part of the Pasadena Unified School District. Apart from the area located within the City of Pasadena, the District provides water services to a medical institute, a strip retail center located along North Rosemead Boulevard, and 462 single-family homes known as "Chapman Woods".

2.1 History

In order to fully understand the current role and operations of the District, it is important to evaluate the history leading to the formation of the District. In the 1930's Chapman Estates (now known as Chapman Woods) was being developed into a residential neighborhood with 462 large-lot single family homes. In April 1931, the developer of Chapman Estates, A.B. Chapman Estate, a corporation of the State of California reached an agreement with the City of Pasadena to sell its water rights and infrastructure for \$125,000.00. At that time, the City of Pasadena also purchased the approximately 27-acre area where Willard Elementary School, Wilson Middle School, and the Boys & Girls Club of Pasadena currently lie.

As part of the 1931 agreement, the City of Pasadena agreed to provide water to the Chapman Estates in perpetuity. In particular, the agreement states:

"The City [Pasadena] shall supply water within the said area heretofore served by the Second Parties [Chapman Estates] at rates not greater than those from time to time established by the City for serving water to other consumers of the same class." A copy of the contract between the City of Pasadena and Chapman Estates is included as **Appendix A** of this document.

On January 15 1960, an election was held under the Municipal Water District Act of 1911 to create the Huntington Municipal Water District. The Municipal Water Act of 1911 provides the basis for the formation and operation of Municipal Water Districts in the State of California. On January 19, 1960, the Board of Supervisors of Los Angeles County certified the results of the election and adopted an order declaring the District "duly organized". On January 26, 1960 The Secretary of State of the State of California certified the legal existence of the Huntington Municipal Water District.

2.2 Huntington Municipal Water District - Today

As it exists today, the District relies entirely on PWP for the delivery of water, maintenance of water infrastructure, and administrative functions including billing and customer service within the District's boundaries. The District has no water rights, no legal counsel, no employees, does not own or maintain any water infrastructure or equipment, does not have a published budget, and does not offer or operate any conservation programs.

Customers within the District receive both their water and water bills directly from PWP. In accordance with the agreement executed in April 1931, customers within the Chapman Woods community are assessed the same rate as customers being served by PWP in the unincorporated area of Los Angeles County. This unincorporated rate is approximately 28% higher than what customers within the incorporated City of Pasadena pay.

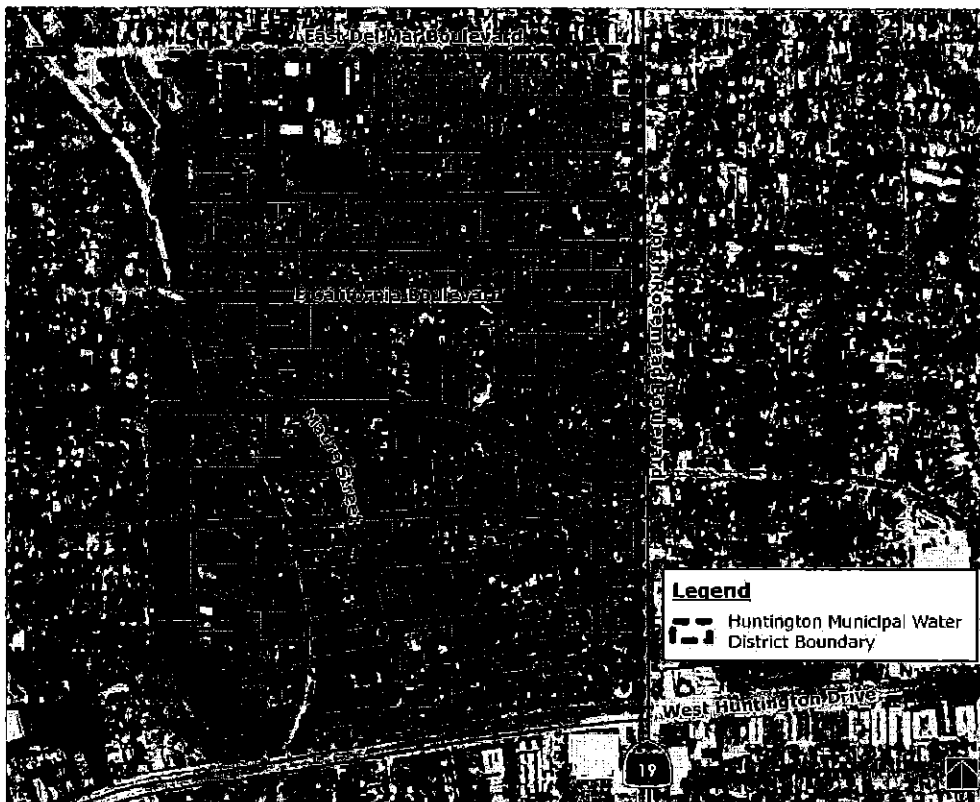


Exhibit 2-2:
Huntington Municipal
Water District Boundary

Huntington MSR

The District is governed by a five member board that is elected at large from each of the five districts that compose the Chapman Woods homeowners association (HOA). The District board members volunteer for this position and receive no form of compensation. It is important to recognize that the Chapman Woods HOA is operated more like a neighborhood group than a traditional HOA. There are no covenants, conditions, and restrictions (CC&Rs) that govern the HOA or dues assessed to each homeowner. The District's board typically meets on an annual basis.

The District receives a small percentage of the 1% property tax assessed to each of the property owners within the District boundaries. Funds are electronically transferred from the County of Los Angeles to the District nine to ten times per year. The District maintains a reserve fund that is held in a Local Agency Investment Fund (LAIF). This reserve fund is used to pay for independent auditor's report occurring once every five years as well as liability insurance, public notifications for board meetings, and board member elections. In addition to funding received from property tax, the District also collects interest on the reserve funds held in the LAIF.

The District is currently in the process of having their five year independent auditor's report prepared. The auditor's report is anticipated to be publically available by the end of 2012. The previous audit was prepared on July 11, 2008 and evaluated the fiscal years from 2002 through 2006.

**Exhibit 2-3:
District Summary Chart**

Agency Information				Service Area Information			
Address:	3531 San Pasqual Street Pasadena, CA 91107			Service Area:	316 ac. or 0.5 sq. miles		
Contact:	Harold Hennacy, Secretary/Treasurer			2012 Population:	1,000		
Phone:	(626) 792-1882			Projected Population:			
Website:	No website			2015	1,000		
				2020	1,000		
				2025	1,000		
				2030	1,000		
				2035	1,000		
Financial Information (FY 2011 – 2012)							
Revenues:	\$11,713	Expenses:	\$2,111	Reserves at year end:	\$247,000	Capital Improvement Budget:	\$0.00
System Information							
Number of Employees:	0			All water services, infrastructure, and administrative duties are provided by the City of Pasadena Department of Water & Power			
Miles of Pipe:	0						
Number of Pump Stations:	0						
Number of Pressure Zones:	0						
Storage Capacity:	0						
Typical Monthly Residential Water Bill (1" meter, 30' HCF)							
Fixed Distribution and Customer Charge:	\$41.38			Water Charge:	\$76.44	Monthly Bill:	\$117.82
Service Area Water Supply and Demand – All Water Supplied by the City of Pasadena Department of Water & Power							
Water Supply (AFY)	2010	2015	2020	2025	2030	2035	
Groundwater	12,056	10,304	10,304	10,304	10,304	10,304	
Existing Surface Water Diversion	2,380	2,380	2,380	2,380	2,380	2,380	
Imported Water from MWD	24,024	23,626	21,149	21,149	21,149	21,149	
Planned Recycled Water	0	1,130	2,050	2,050	2,050	2,050	
Planned Stormwater Harvesting	0	0	627	627	627	627	
Total Supply	38,460	37,440	36,510	36,510	36,510	36,510	
Demand Projection without New Conservation	38,460	39,940	41,510	42,490	43,010	43,380	
Planned Water Conservation	0	2,500	5,000	5,980	6,500	6,870	
Total Demand	38,460	37,440	36,510	36,510	36,510	36,510	

Table Notes:

1) Pasadena Water & Power 2010 Urban Water Management Plan

**Huntington Municipal
Water District**
Municipal Service Review

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3. Key Findings and Research

The purpose and intent of municipal service review is to gather data and information to document an agencies capacity to provide efficient and cost-effective water services to property owners, residents, and businesses within the District's service boundaries. To meet this requirement, LAFCO and the Hogle-Ireland and Mocalis Group team prepared this service review based on sound, defensible data and information, with a focus on ensuring the future provision of safe and efficient water services, and through an open and inclusive process with input from the affected and surrounding agencies.

In order to create a comprehensive, future-focused service review, the project team met with representatives from the Huntington Municipal Water District, City of Pasadena Water and Power, City of Arcadia, and the East Pasadena Water Company. The purpose of these discussions was to encourage the affected agency and stakeholder groups to:

- ▶ Identify new strategic approaches and joint opportunities for regional collaboration.
- ▶ Discuss service, infrastructure and governance efficiencies, deficiencies and/or opportunities for improvement.
- ▶ Introduce other pertinent information that may have been overlooked in the preparation and approval of this municipal service review report.

3.1 Affected Agency and Stakeholder Groups

During May 2012, the project team met with the following stakeholders:

Exhibit 3-1: Affected Agency and Stakeholder Groups

Agency	Representative	Title	Meeting Date
Huntington Municipal Water District	Harold Hennacy	Secretary/Treasurer	5/24/2012
	Mark Miller	Board Member	
City of Pasadena Department of Water & Power	Phyllis E. Currie	General Manager	5/16/2012
	Shan Kwan	Water Division Director	
City of Arcadia	Dominic Lazzaretto	City Manager	5/22/2012
	Tom Tait	Public Works Service Director	
East Pasadena Water Company	Lawrence Morales	Vice President and General Manager	5/16/2012
	Wayne W. Goehring	Superintendent	

During each of the meetings the affected agency and related stakeholders were presented a letter (please see **Appendix B**) to introduce the MSR process and have a frank discussion regarding the provision of existing and future water services. After each of the meetings, representatives were provided with a questionnaire to solicit additional information regarding growth and population projections, present and planned capacity of public facilities, opportunities for shared facilities, and any additional information that was not discussed during the in-person meetings. Copies of the completed questionnaires are included in **Appendix B**.

As a relatively small municipal water district that relies exclusively on the water services provided by PWP, many of the stakeholder agencies were unable to provide specific details regarding the operations of the District. However, many of the stakeholders were able to provide specific information about existing and future population projections and the operability of the District in relationship to their own water service provisions.

Key findings from each of the stakeholder interviews include:

City of Pasadena Department of Water and Power (PWP)

- ▶ PWP has different rates for water service provided within the City of Pasadena and outside the City limits.
 - ▶ Areas outside of the City of Pasadena are assessed an additional 28% water service charge.
 - ▶ The District is assessed an additional 28% water service charge.

- ▶ PWP can continue to provide water services to the District in the event that the District is dissolved.
- ▶ There are no fees collected by PWP that are passed onto the District. The District is funded through a portion of the County of Los Angeles 1% property taxes and interest collected on reserve funds.

City of Arcadia

- ▶ The City of Arcadia and the District have not had contact in the past. The two water districts have and continue to run independently with no contention or opportunities for joint ventures or shared facilities.
- ▶ The City of Arcadia has the capacity to provide water services to the District in the event that the District is dissolved.

East Pasadena Water Company

- ▶ East Pasadena Water Company (EPWC) has interconnections with the City of Arcadia and the City of Pasadena.
- ▶ EPWC has the ability to provide water service to the District in the event that the District is dissolved.

**Huntington Municipal
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Municipal Service Review

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4. Growth and Population Projections

The District is primarily located within the unincorporated area of Los Angeles County adjacent to the southeast corner of the City of Pasadena. The District encompasses an approximately 316 acre area. Of this 316 acre area, 289 acres lie within the unincorporated area of Los Angeles County, while 27 acres lie within the City of Pasadena.

4.1 Regional Summary

In accordance with the 2012 Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP), the unincorporated area of Los Angeles County had a 2008 population of 1,052,800 persons and a projected 2035 population of 1,399,500 persons. This population increase of 346,700 represents a growth rate of approximately 32% percent from 2008 to 2035. It is important to recognize that the unincorporated area of Los Angeles County encompasses an approximately 2,600 square mile area. The unincorporated area of Los Angeles County is unofficially grouped into 137 non-contiguous areas, some of the unincorporated areas are as small as a few blocks, some are urban centers with more than 150,000 residents and some, with sparse populations, cover hundreds of square miles in the high desert.

Given the vast size and varying demographics of the unincorporated area of Los Angeles County, a more realistic estimate of the future population projections of the District can be derived by evaluating the population projections of the cities surrounding the District including Arcadia, Pasadena, and San Marino.

Based on the SCAG RTP population, household, and employment projections the cities surrounding the District are projected to experience moderate to little growth over the next 23 years. **Exhibit 4-1: City of Arcadia, Pasadena, and San Marino Population Growth Projections** provides a breakdown of the anticipated population, households, and employment projections for each of these three cities.

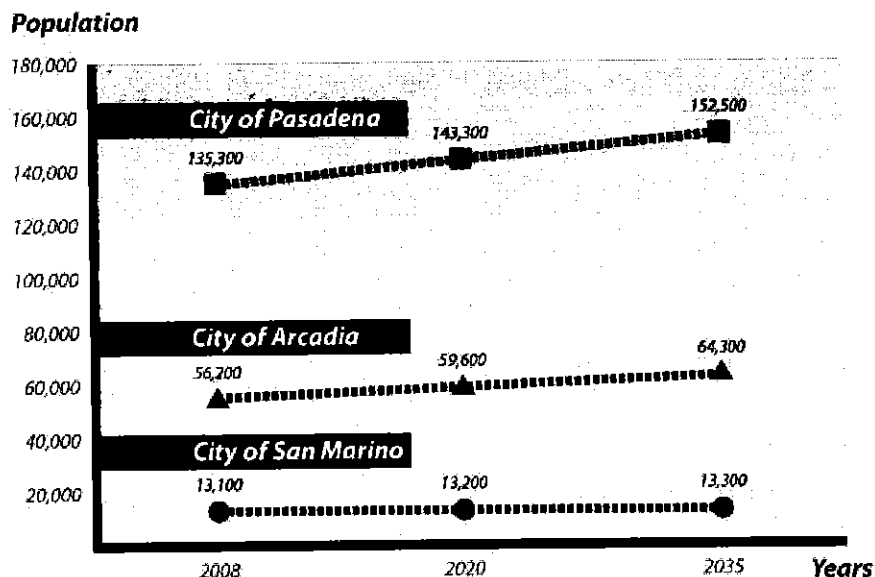
**Exhibit 4-1:
City of Arcadia, Pasadena, and San Marino Population Growth
Projections**

	SCAG 2008 Regional Transportation Plan (RTP)	SCAG 2020 RTP Projection	SCAG 2035 RTP Projection	Overall Increase
City of Arcadia				
Population	56,200	59,600	64,300	8,100
Households	19,500	21,000	22,700	3,200
Employment	26,700	28,100	29,500	2,800
City of Pasadena				
Population	135,300	143,400	152,500	17,200
Households	54,500	58,400	61,400	6,900
Employment	117,300	124,400	131,300	14,000
City of San Marino				
Population	13,100	13,200	13,300	200
Households	4,300	4,300	4,300	0
Employment	4,800	5,000	5,300	500

Table Notes:

1) Southern California Association of Governments (SCAG) 212 Regional Transportation Plan (RTP)
Growth Forecast

**Exhibit 4-2:
SCAG RTP Estimated
Population Projections**



4.2 Local Summary

As it exists today, the District's service area is built out with an estimated population of 1,000 persons. There are no plans for future redevelopment within the service area and the existing population of 1,000 persons is not anticipated to increase or decrease over the next 20 years. There are only a handful of undeveloped, vacant parcels. Any development that would occur within the District's service boundaries would occur as a result of redevelopment or infill development projects.

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Municipal Service Review

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5. Infrastructure Needs and Deficiencies

The District exists today as the product of a 1931 real estate transaction between Chapman Estates (now known as Chapman Woods) and the City of Pasadena. The District holds no water rights, has no water infrastructure or facilities, has no employees, and has no legal counsel. All water service provided to each of the District's 470 connections is provided by the PWP.

Today, the District exists primarily to ensure that the property owners and residents within its jurisdictional boundaries continue to receive safe and reliable water services from PWP in the same manner as customers in the unincorporated area of Los Angeles County.

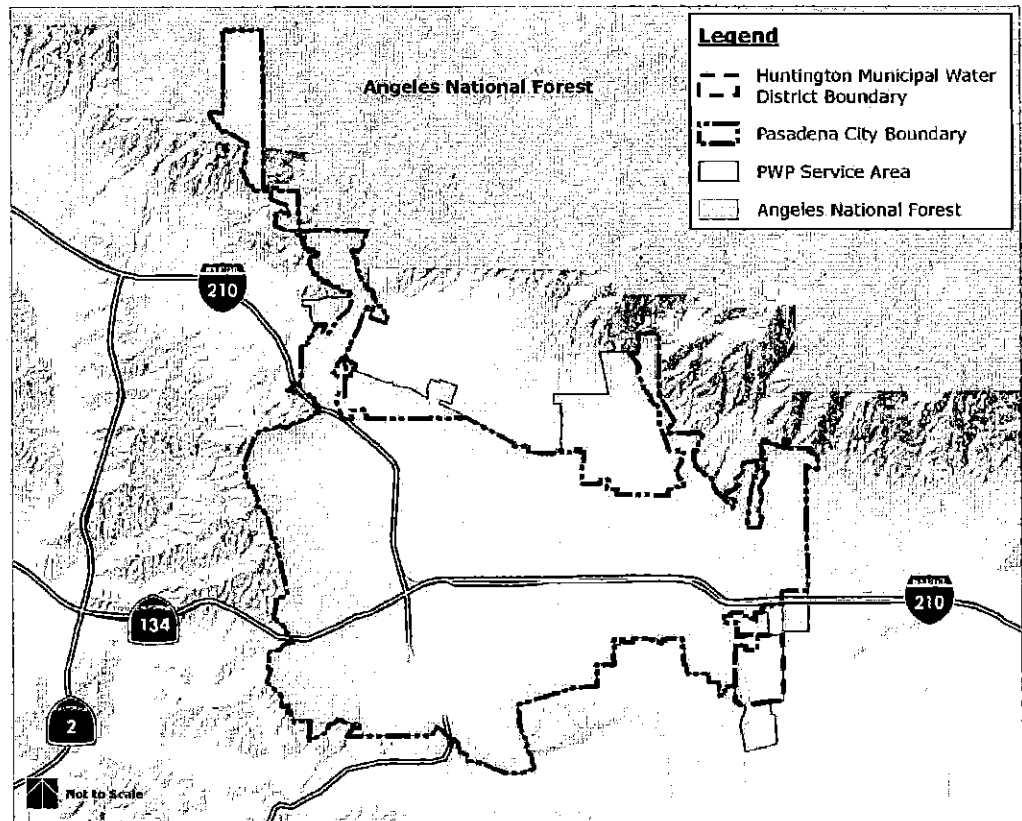
5.1 Water Sources

As previously discussed, all water and related infrastructure that serves the District is provided by PWP. Although this MSR has been prepared to evaluate the service provisions of the District, in order to comprehensively understand how the District receives its water it is important to evaluate the water sources and level of demand of PWP.

PWP serves an approximately 23-square mile area located within the northwestern portion of the San Gabriel Valley in Los Angeles County. PWP's service boundary is slightly larger than the jurisdictional boundary of the City of Pasadena and serves portions of unincorporated areas of Altadena, East Pasadena, and San Gabriel. The service area is generally bordered on the north by unincorporated Altadena and the Angeles National Forest, on the east by Arcadia and Sierra Madre, on the south by South Pasadena and San Marino, and the west by Los Angeles, Glendale, and La Canada Flintridge. Please refer to **Exhibit 5-1: PWP Service Area**.

Huntington MSR

Exhibit 5-1:
PWP Service Area Map



In accordance with PWP's 2010 Urban Water Management Plan, in 2010 water demands for the PWP service area were approximately 30,000 acre-feet per year (AFY), which is about 22% lower than in 2007. This significant reduction in demand is due to mandatory restrictions in water use that PWP implemented in response to a multi-year drought that began in 2008 and ended in 2010, as well as a severe economic recession during this same time. Based on projected demographics (housing and employment) forecasted by the Southern California Association of Governments, normal water demands for PWP are projected to be about 43,000 AFY by 2035. This demand forecast assumes current levels of active water conservation as well as future water use efficiency from compliance with California's plumbing codes.

5.2 Water Supply and Demand

PWP's current water supplies include local groundwater from the Raymond Basin, surface water diversions, and imported water. In average hydrologic conditions, PWP is currently pumping approximately 12,000 acre-feet per year (AFY) from the Raymond Basin. The Raymond Basin is an alluvial valley approximately 40 square miles in area underlain by deposits of gravel, sand, silt, and clay. The basin is located in the northwest portion of the San

Gabriel Valley in Los Angeles County and bounded by the San Gabriel Mountains to the north, the San Rafael Hills to the west, and the Raymond Fault to the south/southeast.

Due to declining ground groundwater levels, the Raymond Basin Management Board (RBMB) has implemented a resolution that reduces groundwater rights over a five-year period for all entities pumping water from the basin. For PWP, this resolution results in a groundwater pumping right of approximately 10,300 AFY. Surface water diversions in the Arroyo Seco and Eaton Canyon are used to augment local groundwater, and average approximately 2,380 AFY.

To meet the remaining water needs for PWP, imported water is purchased from the Metropolitan Water District of Southern California (MWD). MWD is the regional water wholesaler and is comprised of 26 public member agencies. PWP is one of these member agencies, and was one of the founding member cities of MWD. Since 1990, historical purchases of MWD water have ranged from a low of 13,000 AFY to a high of 32,000 AFY. MWD obtains its primary water supplies from the State Water Project (SWP) and Colorado River Aqueduct (CRA). Both of these sources of water have become more unreliable since the early 1990s as a result of significant droughts, water right issues, and environmental restrictions. The SWP supply must pass through California's Sacramento-San Joaquin Delta (Delta), which is the largest estuary in the state and the source of many conflicts between urban, agriculture and environmental interests. Due to endangered species act requirements, Delta water exports were significantly curtailed in recent years. The issues in the Delta are expected to continue unless a comprehensive solution is implemented restoring the Delta's ecosystem and providing additional conveyance and storage to reduce impacts of water exports on fisheries and habitats.

5.3 Existing and Proposed Supplies and Facilities

The PWP relies on intricate system of water sources and facilities to provide a safe and reliable supply to its customers. PWP's water supply consists of three sources with an additional three sources planned over the 2035 timeframe. Current water sources include:

- ▶ Groundwater,
- ▶ Surface supplies, and
- ▶ Imported water purchased from MWD.

Future water sources include:

- ▶ Recycled water planned for 2015,
- ▶ Devil's Gate surface diversion planned for 2015, and
- ▶ Groundwater storage using MWD replenishment water.

Each of the current and planned water supplies and facilities are briefly described below.

Existing Water Sources

Groundwater

PWP currently utilizes two local water supplies within the Raymond Basin; groundwater, which is pumped directly into the distribution system; and surface water, which is diverted and spread for groundwater pumping credits. As previously discussed, the Raymond Basin encompasses an approximately 40-square mile area located in the northwest portion of the San Gabriel Valley in Los Angeles County. PWP's groundwater pumping right in 2010 was 12,056 AF. However due to a 2009 resolution implemented by the Raymond Basin Management Board (RBMB), PWP's water rights will be decreased by 2,503 AF by 2015 to a final right of 10,304 AFY.

In addition to groundwater pumping, PWP has surface runoff diversion rights to recharge the Raymond Basin using injection wells or spreading grounds. The ability to spread surface runoff provides benefits of natural water treatment and storage of water diverted during the wet season for use in periods of high demand. Pumping credits from spreading of diverted surface runoff provided an average of 2,380 AFY of additional groundwater over the 1999-2009 period, ranging from approximately 1,000 to 6,000 AFY in dry and wet years.

Surface Supplies

PWP receives water from surface runoff generated from the San Gabriel Mountains. PWP owns water rights to divert runoff from Arroyo Seco and Eaton Canyon. Runoff in Arroyo Seco and Eaton Canyon ranges drastically and is dependent upon climatic patterns. In wet years, annual runoff can exceed 40,000 AFY. Conversely, in dry years, runoff is limited to less than 1,500 AFY. On average, current operations yield approximately 2,500 AFY of PWP recharge, this produces approximately 1,500 AFY of PWP supply yield after RBMB credits.

Imported Water

As a member of MWD, PWP has a contract to purchase imported water to supplement groundwater pumping. On average PWP receives 61% of its water from MWD based on the period of 1992 through 2008. PWP receives treated water via five turnouts from MWD's "Upper Feeder", which is treated at MWD's Wymouth Water Treatment Plant (WTP). **Exhibit 5-2: Imported Water Projections** provides current and forecasted demands for imported water as provided to MWD. Although PWP's connection capacity is adequate to meet future demands, reliability of MWD's imported water supplies has been reduced due to chronic droughts and environmental restrictions.

**Exhibit 5-2:
Imported Water Projections**

	2010	2015	2020	2025	2030	2035
Imported Water (AFY)	24,024	23,626	21,149	21,149	21,149	21,149

Table Notes:

1) Pasadena Water & Power 2010 Urban Water Management Plan

Future Water Sources

Recycled Water Planned for 2015

PWP has identified recycled water as a future component of its water supply portfolio. To develop this supply and maximize its use, PWP is in the process of developing a Recycled Water Master Plan (RWMP) that builds upon previous recycled water planning efforts and identifies end users. Historically PWP has not used recycled water.

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In 1993, the City of Pasadena signed an agreement, Reclaimed Water System Participation Agreement No. 15,075, with the City of Glendale entitling PWP to 6,000 AFY of recycled water at the rate of 6,255 gallons per minute from the Los Angeles/Glendale Water Reclamation Plant (LAGWRP). The agreement has a termination date of December 31, 2017, but Pasadena has a right to extend the contract.

Devil's Gate Surface Diversion

The Los Angeles County Department of Public Works (LACDPW) Conservation Planning Section is currently designing a conservation project to store and divert water from Devil's Gate Reservoir to the Eaton Canyon spreading basins, which are owned and operated by LACDPW for groundwater replenishment. PWP plans to participate in the project funding and receive credit for a portion of the recharge. In addition, PWP is planning to construct the necessary facilities to capture urban runoff through connection of existing storm drains north of the planned Devil's Gate Reservoir to Eaton Canyon conveyance pipeline.

On average, the project would send approximately 1,750 AFY of surface runoff to Eaton Canyon for recharge. PWP could potentially recover up to 35 percent of the total recharge as pumping credits or 627 AFY.

Groundwater Storage

PWP is proposing a conjunctive use program to store additional groundwater reserves when imported replenishment water is available from MWD. Imported replenishment water is purchased at a reduced rate in comparison to normal water purchases. Water would be stored in the Raymond Basin using any combination of the following three methods:

- ▶ Direct injection – through existing and new wells that force water into the ground
- ▶ Existing spreading basins – allow water to percolate into the ground water basin
- ▶ In-lieu recharge – PWP would reduce groundwater pumping and take more imported water in-lieu, thereby increasing storage in the basin.

Replenishment would occur up to 20,000 AFY in a given year, but would average 6,500 AFY over time. Maximum groundwater extractions during drought or emergency situations would be up to 25,000 AFY. However, extractions would not occur for several years and would average 5,000 AFY through the year 2035.

Exhibit 5-3: Service Area Water Supply and Demand
provides a summary of PWP's water supplies as well as projected water demands.

**Exhibit 5-3:
Service Area Water Supply and Demand**

Water Supply (AFY)	2010	2015	2020	2025	2030	2035
Groundwater	12,056	10,304	10,304	10,304	10,304	10,304
Existing Surface Water Diversion	2,380	2,380	2,380	2,380	2,380	2,380
Imported Water from MWD	24,024	23,626	21,149	21,149	21,149	21,149
Planned Recycled Water	0	1,130	2,050	2,050	2,050	2,050
Planned Stormwater Harvesting	0	0	627	627	627	627
Total Supply	38,460	37,440	36,510	36,510	36,510	36,510
Demand Projection without New Conservation	38,460	39,940	41,510	42,490	43,010	43,380
Planned Water Conservation	0	2,500	5,000	5,980	6,500	6,870
Total Demand	38,460	37,440	36,510	36,510	36,510	36,510

Table Notes:

- 1) Pasadena Water & Power 2010 Urban Water Management Plan
- 2) All water supplied by the City of Pasadena Department of Water & Power (PWP)

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6. Financing Opportunities or Constraints

The District does not have an operational budget, capital expenditures, or any debt. Revenues are received from the County of Los Angeles property taxes and investment income. The District maintains a reserve fund that is held in a Local Agency Investment Fund (LAIF). This reserve fund is used to pay for independent auditor's report occurring once every five years, director and officer liability insurance, and public notifications for board meetings and board member elections.

6.1 Revenues

The District receives revenue from two sources including a portion of the County of Los Angeles property tax revenues and interest collected from the District's reserve funds. Funds are collected from the County of Los Angeles approximately nine to ten times per year. These funds are directly deposited into an account held by Union Bank. At a minimum the District maintains \$4,000.00 in the Union Bank account. Once the Union Bank account grows to over \$10,000.00, money is transferred to the District's LAIF reserve fund.

For the 2011-2012 fiscal year, the District had revenues of approximately \$11,713.14. The following **Exhibit 6-1: FY 2011-2012 Revenues** summarizes the district revenues for the 2011-2012 Fiscal Year (FY).

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**Exhibit 6-1:
FY 2011-2012 Revenues**

Month & Year	County Property Tax	Union Bank Interest	LAIF Interest	Grand Total
July 2011	393.11	1.66	1,222.65	NA
August 2011	462.75	1.06		
September 2011	0.00	0.80		
October 2011	0.00	0.75		
November 2011	271.75	0.83		
December 2011	3,834.39	0.87		
January 2012	1038.45	0.99		
February 2012	512.32	0.92		
March 2012	47.22	1.04		
April 2012	2,996.99	1.41		
May 2012	887.72	2.45		
June 2012	30.69	2.32		
Total	\$10,475.39	\$15.10	\$1,222.65	\$11,713.14

Table Notes:

1) Based on phone conversation with Harold Hennacy, Huntington Municipal Water District Secretary/Treasurer on July 17, 2012.

2) Based on 2010/2011 Average Annual Yields from the California Treasurer <http://www.treasurer.ca.gov/pmia-laif/historical/annual.asp> 0.495% and the District's estimated reserve fund of \$247,000.00

6.2 Expenses

Considering that the District relies on PWP to provide water services, infrastructure maintenance and repairs, as well as administrative services such as customer service and billing, the District has minimal expenses. The expenses that the District incurs on an annual basis include: director and officer liability insurance, LA County auditor's fee, newspaper advertisements for officer elections, and administrative fees including reprographics, mailings, and notary services. The District also hires an independent auditor once every five years to evaluate the financial accountability of the District. The previous audit was completed on July 11, 2008 for the years 2002 to 2006. This previous audit was completed at a charge of approximately \$5,000.00 to the District. The District is currently in the process of completing an independent financial audit for the years 2006 to 2011. This audit is anticipated to be completed in September or October of 2012.

A summary of the Districts expenses for 2011 is provided below in **Exhibit 6-2: FY 2011 Expenses.**

Exhibit 6-2: FY 2011 Expenses

Expense	Amount
LAFCO Annual Assessment	4.16
Director and Officer's Liability Insurance	1,833.00
Newspaper Advertisement	264.00
Notary Fee	10.00
Total	\$2,111.16

Table Notes:

1) Based on phone conversation with Harold Hennacy, Huntington Municipal Water District Secretary/Treasurer on July 17, 2012.

6.3 Reserves

The District does not have established policies regarding minimum reserves and operating fund levels. The net revenue collected by the District from property taxes and interest are held in a Local Agency Investment Fund. According to Harold Hennacy, Secretary/Treasurer of the District, as of July 2012 the District had approximately \$247,000.00 in their LAIF reserve fund.

As previously mentioned, the District has no long term liabilities or debt. Furthermore, the District does not have any water rights or own any water infrastructure that currently serves landowners, business owners, or residents within its service area. The District is not responsible for any capital improvements or maintenance to the infrastructure within its service area.

The District's reserve funds are used to pay for the District's five-year independent financial audits, director and officer liability insurance, and administrative fees during board member elections and annual board meetings.

As shown in the analysis above, it is estimated that the district receives an annual net income of approximately \$9,601.98. It is important to recognize that this estimated net income does not include the fees required to pay for the District's five-year annual audit (approximately \$5,000.00), fluctuating property tax revenues due to the decline in home values with the ongoing economic downturn, and varying interest rates collected in the District's Union Bank and LAIF accounts.

6.4 Financial Ability of Agency to Provide Services

As a result of the 1931 agreement between Chapman Estates and the City of Pasadena, PWP has provided and continues to provide water services to the District. Although the District has no water rights, water infrastructure, or staff, the district collects revenues from a portion of the County of Los Angeles property tax and interest on reserve funds.

Based on the analysis provided above, the District has the financial capacity to continue to operate in accordance with the terms of the 1931 agreement between Chapman Estates and the City of Pasadena.

7. Economies of Service

The District does not directly provide water services or set the rates for water services within its district boundaries. Water services and their associated rates are provided and set by PWP. In accordance with Section 13.20 of the City's Municipal Code, the City of Pasadena charges different water service rates for areas within the City's jurisdictional boundaries and for areas outside the City's jurisdictional boundaries. The rates charged by PWP to areas outside the City's jurisdictional boundaries and within the District are approximately 28% higher than areas within the City's jurisdictional boundaries.

The water rates that are currently assessed to the District and areas outside of the City of Pasadena's jurisdictional boundaries are provided in the tables below. It is important to note that PWP charges different rates depending upon the amount of water used. PWP uses "blocks" to define the different rate tiers. Each of these blocks and their associated rates are described in **Exhibits 7-3 Monthly Billing Unit**.

Exhibit 7-1:

Cost Per Billing Unit in Summer (April 1 – September 30)

Rate Tier	Rate as of April 1, 2012
Block 1	\$1.35296 / HCF
Block 2	\$3.34438 / HCF
Block 3	\$3.97026 / HCF
Block 4	\$4.90908 / HCF

Table Notes:

¹Water usage is billed by hundred cubic feet (HCF). 1 HCF = 748 gallons.
One billing unit is equivalent to one HCF (748 gallons).

Exhibit 7-2:

Cost Per Billing Unit in Winter (October 1 – March 31)

Rate Tier	Rate as of April 1, 2012
Block 1	\$1.31981 / HCF
Block 2	\$3.25323 / HCF
Block 3	\$3.86088 / HCF
Block 4	\$4.77236 / HCF

Table Notes:

¹Water usage is billed by hundred cubic feet (HCF). 1 HCF = 748 gallons.
One billing unit is equivalent to one HCF (748 gallons).

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The Rate Tier for each "Block" with a typical 1" residential water connection is described in **Exhibit 7-3: Monthly Billing Unit** below:

**Exhibit 7-3:
Monthly Billing Unit**

Meter Size	Block 1	Block 2	Block 3	Block 4
1"	0-12 HCF	13-40 HCF	41-60 HCF	≥ 61 HCF

Table Notes:

1) Water usage is billed by hundred cubic feet (HCF). 1 HCF = 748 gallons.
One billing unit is equivalent to one HCF (748 gallons).

In addition to water usage rates, PWP charges a monthly fixed "Distribution and Customer Charge" to cover the ongoing cost of water distribution system maintenance, metering, customer service and billing. For a typical 1" residential water connection outside of the City of Pasadena's jurisdictional boundaries, PWP charges a monthly fixed rate of \$41.38.

Given the aforementioned water usage rates and fixed monthly charges, a single family residence within the District will be assessed the following fees for water services assuming that 30 HCF of water are used during the summer months.

**Exhibit 7-4:
Sample Water Charges for a Single Family Residence**

Rate Tier	Rate as of April 1, 2012
Block 1 (0-12 HCF)	12 @ \$1.35296 = \$16.24
Block 2 (13-40 HCF)	18 @ \$3.34438 = \$60.20
Fixed Distribution and Customer Charge	\$41.38
Total	\$117.82

Table Notes:

1) Water usage is billed by hundred cubic feet (HCF). 1 HCF = 748 gallons.
One billing unit is equivalent to one HCF (748 gallons).

7.1 Cost Avoidance Opportunities

In accordance with the 1931 agreement between the City of Pasadena and Chapman Estates, the City shall supply water within the District at rates not greater than those from time to time established by the City for serving water to other consumers of the same class.

As the District does not directly provide water services, the District has no control of the rates being applied by PWP.

It is important to recognize that the East Pasadena Water Company (EPWC), located immediately to the east of the District has the capacity and infrastructure capabilities to serve the District. EPWC is a privately held utility company regulated by the California Public Utilities Commission (CPUC). EPWC serves an approximately 1.35 square mile area with approximately 2,900 service connections. The service area of EPWC is generally located south of Interstate 210, east of State Route 19, west of the City of Arcadia, and north of Las Tunas Drive.

EPWC recently updated its service rates in June of 2012. EPWC charges a rate of \$1.81 per hundred cubic feet (HCF) of water used. It is important to note that the \$1.81 rate is fixed and does not fluctuate based on the amount of water used or time of year. EPWC also charges a fixed service rate of \$66.38 per every two months of service or \$33.19 per month for a 1" water connection.

Exhibit 7-5: Huntington Municipal Water District and East Pasadena Water Company Water Rates below provides a comparison of the charges anticipated from EPWC and the District assuming that 30 HCF of water is used during the summer months at a single family residence with a 1" water connection.

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Exhibit 7-5: Huntington Municipal Water District and East Pasadena Water Company Water Rates

Huntington Municipal Water District		East Pasadena Water Company	
Rate Tier	Rate as of April 1, 2012	Rate Tier	Rate as of June 2012
Block 1 (0-12 HCF)	12 @ \$1.35296 = \$16.24	\$1.81 per HCF	30 @ \$1.81 = \$54.30
Block 2 (13-40 HCF)	18 @ \$3.34438 = \$60.20	N/A	N/A
Fixed Distribution and Customer Charge	\$41.38	Fixed Distribution and Customer Charge	\$33.19
Total	\$117.82	Total	\$87.49

Table Notes:

1) Water usage is billed by hundred cubic feet (HCF). 1 HCF = 748 gallons. One billing unit is equivalent to one HCF (748 gallons).

7.2 Opportunities for Shared Facilities

As previously discussed, the District does not own any water rights or infrastructure and relies solely on PWP to provide water services and infrastructure.

PWP however, does rely on a combination of local and non-local water supply sources from multiple agencies. Local water supplies from groundwater require coordination with the Raymond Basin Management Board. PWP is a member agency of the regional water importer, the Metropolitan Water District, and must coordinate its imported water supply demands with MWD. The City's wastewater collection and treatment is provided by the Los Angeles County Sanitation Districts. PWP has an agreement with the City of Glendale for the use of recycled water from the Los Angeles/Glendale Water Reclamation Plant. Finally, since PWP provides water services to several adjacent areas outside of the City's boundaries, including the District it also coordinates with these communities.

7.3 Evaluation of Management Efficiencies

The District has no full-time or part-time employees and is managed by a five-member board elected from each of the five districts of the Chapman Woods Homeowners Association. The Board meets on a yearly basis.

Given that the District has no water rights, no infrastructure, no employees, no legal counsel, no published budget, and relies on PWP to provide water services and related administrative duties, the District has a very limited management role.

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8. Government Structure Options

The purpose of evaluating government structure options as part of the Municipal Service Review (MSR) is to encourage the current and future orderly formation of local government agencies, create logical boundaries, and promote the efficient delivery of services. This MSR is an informational document that will be used by LAFCO and its staff, agencies and organizations, stakeholders, and the public to discuss future governance options for the District. One of the required components to be addressed in the MSR is a list of possible government structure options including an analysis of all possible advantages and disadvantages of agency reorganization.

There are several advantages and disadvantages that may occur from reorganization including:

Advantages

- ▶ Reduction in cost or fees due to economies of scale
- ▶ Improved service delivery in terms of both water delivery and administrative functions including customer service and billing
- ▶ Simplification of jurisdictional boundaries

Disadvantages

- ▶ Political opposition
- ▶ Loss of local control and accountability
- ▶ No or limited cost savings
- ▶ Discontinuity of services during the reorganization process

LAFCO is not required to implement any of the governmental structure options described in this report. However, LAFCO must update or reaffirm the sphere of influence of the District, which is a Zero SOI as adopted by the Commission in the 2005 MSR.

It is important to note that at the time this report was prepared, the District had no plans to expand or retract its sphere of influence or service boundary.

8.1 Options

LAFCO and its staff should consider the following four options when evaluating the sphere of influence for the District including: expanding the SOI, reducing the SOI, and the potential to dissolve the District and have water services provided by PWP or EPWC.

Maintain the Status Quo

This option would maintain the existing District boundaries and current sphere of influence (SOI). In this scenario, the District would continue to exist in the same manner as it does today. In accordance with the 1931 agreement between the City of Pasadena and Chapman Estates, PWP would continue to provide water services, maintain the existing infrastructure, and carry out administrative functions including customer service and billing.

Residents, landowners, and business owners within the District would continue to pay the same rate as customers of PWP who reside outside of the City of Pasadena's jurisdictional boundaries. As it exists today, the rates charged by PWP to customers who reside outside of the City's jurisdictional boundaries are charged rates that are approximately 28% higher than customers who reside within the City's jurisdictional boundaries.

As the District's service area is currently built-out, there are no anticipated increases in population and water demands that would have an impact on the ability of the District or PWP to continue to provide water services.

Expand the Sphere of Influence (SOI)

The District currently has no plans to expand its SOI or existing service boundary. Considering that the District relies solely on PWP to provide water services, an expansion of the District's SOI is highly unlikely. The District does not have water rights or infrastructure that could be expanded beyond its jurisdictional boundaries. In accordance with the 1931 agreement between the City of Pasadena and Chapman Estates, the City of Pasadena agreed to provide water services to the District as defined by a metes and bounds legal description. Furthermore, the 1931 agreement would need to be amended to accommodate any expansion to the District's service boundaries.

Reduce the Sphere of Influence (SOI)

As previously discussed, the District has a Zero SOI. The Commission adopted the Zero SOI as part of the previously prepared 2005 MSR. The Zero SOI indicates that the agency should cease to exist and that its public service responsibilities should be re-allocated to another unit of local government through consolidation, dissolution or establishment as a subsidiary district.

Furthermore, as the District is primarily responsible for serving 462-single family residence included as part of the Chapman Woods Community and Homeowners Association, any reduction to the District's SOI and service area should not divide the existing

community. Given the 1931 Agreement and the fact that the District relies on PWP to provide water services, the only logical reduction to the District's SOI and service area is to remove the 27-acre area located in the north east corner of the District's service area where the Boys & Girls Club of Pasadena, Willard Elementary School, and Wilson Middle School are currently located.

This 27-acre area includes three parcels each of which are owned by the Pasadena Unified School District and located within the City of Pasadena's jurisdictional boundaries. Even though these three parcels are within the within the District's service boundaries, they are assessed the lower "city" service rates since they are located within the City of Pasadena's jurisdictional boundaries.

While reducing the District's SOI and service boundary to remove the 27-acre area owned by the Pasadena Unified School District would create a more logical boundary, it will have no impact on the services currently being provided by PWP. PWP will continue to provide water services to the 27-acre area at a rate equal to that of resident's landowners and business owners within the City's jurisdictional boundaries. Reducing the District's boundaries to remove this 27-acre area would purely be a matter of reorganizing district boundaries. As no change in service would arise due to this reorganization and considering the time and costs associated with redefining the District boundaries, it is recommended that the District's SOI and service area remain the same.

Potential Agency Merger

As previously discussed, the District is located adjacent to the southeast corner of the City of Pasadena and has been and continues to receive water services from PWP.

Immediately to the east of the District is the East Pasadena Water Company (EPWC), a private water purveyor that serves an approximately 1.35 square mile area with approximately 2,900 service connections.

During meetings with PWP and EPWC, both water agencies indicated that they would have the ability and capacity to provide water services to the District in the event that the District was dissolved. However, as PWP currently owns the infrastructure and has been and continues to provide water and administrative services to the District, it is much more logical for PWP to continue to provide water services.

In the event that the District is dissolved, PWP would have the capacity to continue to provide services in what would for the most part be a seamless transition. PWP would continue to provide water services to the community, which as previously discussed are provided at rates that are approximately 28% higher than customers within the incorporated area of the City of Pasadena pay, and customers within the District's boundary would continue to receive the same level of service.

Dissolving the District and having PWP continue to provide services will result in an improvement in government efficiency. PWP would directly receive the portion of property tax revenue that the District currently receives, and could apply that revenue to water-related expenditures within the District. In essence, this would eliminate the middle man.

For the purpose of this MSR, it is recommended that LAFCO commence proceedings leading to the dissolution of the District.

9. Local Accountability and Governance

The Huntington Municipal Water District is governed by a five-member board elected from each of the five districts of the Chapman Woods Homeowners Association. Members for each of the districts must reside in the district they represent and are elected by voters within that district. All board members serve a four-year term. It is very rare for someone to run against an existing board member and most board members are therefore reappointed by the Los Angeles County Board of Supervisors.

Exhibit 9-1: Huntington Municipal Water District Governance below provides a summary of the governance and local accountability of the Huntington Municipal Water District.

Exhibit 9-1: Huntington Municipal Water District Governance

Date formed:	1960		
Statutory Authorization:	Municipal Water Act of 1911		
Board Meetings:	Yearly		
Board of Directors	Title	Term Expiration	Compensation
Robert Beaudet	President	January 2013	Board members receive no compensation
Ted Bartscherer	Vice President	January 2015	
Harold Hennacy	Secretary/Treasurer	January 2013	
Mark Miller	Board Member	January 2015	
Marjorie O'Connor	Board Member	January 2015	

Table Notes:

1) Information received from Harold Hennacy during a phone conversation on July 20, 2012.

As the District does not have any water rights or own any water infrastructure, the governing board serves primarily to ensure that water is provided to the District in a fair and equitable way in accordance to the 1931 agreement between the City of Pasadena and Chapman Estates. Furthermore, the governing board serves to manage the financial stability of the District and hold regularly scheduled yearly meetings to inform the public about the District and recent water activities. The District's board meetings are publicly notified through newspaper publications and are open to the public.

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10. Determinations and Findings

California Government Code Section 56430 provides that LAFCOs, upon receipt and consideration of an MSR, are required to adopt written findings addressing each of the following seven topics:

1. Growth and population projections for the affected area.
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability of community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by the LAFCO Commission.
7. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Below is a summary of what each determination will assess as well as an overview of the findings for each determination.

1. Growth and population projections for the affected area.

This determination requires an analysis of current and future population and demographic characteristics related to city and special district service plans and delivery. Local and regional growth projections should be analyzed for compatibility with planned facilities.

As discussed in **Section 4: Growth and Population Projections**, the District is fully built out with a population of approximately 1,000 people. There is no future growth projected in the District. The existing water infrastructure and facilities provided by PWP are adequate to continue to serve the District.

The cities adjacent to the District are projected to experience moderate to little growth within the next 23 years. **Exhibit 10-1: City of Arcadia, Pasadena, and San Marino Population Projections** provides a breakdown of the anticipated population growth for the cities of Arcadia, Pasadena, and San Marino.

**Exhibit 10-1:
City of Arcadia, Pasadena, and San Marino Population Projections**

City Name	SCAG 2008 regional Transportation Plan (RTP) Population	SCAG 2035 RTP Population	Population Increase	Annual Growth Rate through 2035
Arcadia	56,200	64,300	8,100	0.6%
Pasadena	135,300	152,500	17,200	0.5%
San Marino	13,100	13,300	200	0.07%

Table Notes:

¹*Southern California Association of Governments (SCAG) 212 Regional Transportation Plan (RTP) Growth Forecast*

2. Present and planned capacity for public facilities and adequacy of public services, including infrastructure needs or deficiencies.

The purpose of this determination is to evaluate existing infrastructure to determine existing sufficiency and future demand. The analysis will address future planned expansions within the MSR study area, both locally and regionally.

As discussed in Section 5: Infrastructure Needs and Deficiencies, PWP continues to provide water services to the District in accordance with the terms of the 1931 agreement between the City of Pasadena and Chapman Estates.

PWP currently serves the District, and given the fact that the District is fully built out, has the future capacity to continue to serve the District.

PWP relies on an intricate system of water sources and facilities to provide a safe and reliable supply to its customers. PWP currently relies on groundwater, surface supplies, and imported water purchased from the Metropolitan Water District. PWP has also developed a Water Integrated Resources Plan (WIRP) to provide an overall long-term water resources strategy through the year 2035. PWP's WIRP plan relies on increased water conservation and use of local rather than imported water supplies to meet their future demands. Future water sources include but are not limited to recycled water, surface water diversion, and groundwater storage using MWD replenishment water.

PWP has no infrastructure needs or deficiencies that would impede them from continuing to provide water services to the District.

3. Financial ability of agencies to provide services.

The purpose of this determination is to analyze the present and future ability of the District to financially support the current and long-term District service needs.

As discussed in **Section 3: Financing Opportunities or Constraints** the District does not have any water rights, infrastructure, or staff and their only financial obligations include liability insurance, administrative fees, and auditor's fees. The District receives revenue from two sources including a portion of the County of Los Angeles property tax revenues and interest collected from the District's reserve funds.

It is estimated that the District receives an annual net income of approximately \$9,600.00. It is important to recognize that this estimated net income does not include the fees required to pay for the District's five-year annual audit, fluctuating property tax revenues due to the decline in home values with the ongoing economic downturn, and varying interest rates collected in the District's bank accounts.

In addition to operational funds, as of July 17, 2012 the District had reserve funds of approximately \$247,000.00 held in a Local Agency Investment Fund (LAIF).

Considering that water services for the District are provided directly by PWP and the District's aforementioned annual net income and reserve fund, the District has the existing and future ability to financially support their operations.

4. Status of, and opportunities for, shared services.

The purpose of this determination is to analyze potential opportunities, if any, for enhancing operational efficiencies by sharing services and/or facilities.

In accordance with the 1931 agreement between the City of Pasadena and Chapman estates, PWP continues to provide water services to the District. In the event that

the District is dissolved, PWP has the capacity to continue to provide water services within the District's boundaries

5. Accountability for community service needs, including governmental structure and operational efficiencies.

The District is governed by a five-member board elected at large from each of the five districts that compose the Chapman Woods Homeowners Association. Members for each of the five districts must reside in the district they represent. All board members serve a four-year term. Board meetings are held annually with notice of the meeting provided through a local newspaper publication.

Even though the District holds one meeting yearly related to District water operations, the District residents interact directly with PWP on any water-related issue or concern during the year. This would not change if the District is dissolved.

6. Any other matter related to effective or efficient service delivery, as provided by Commission policy.

The purpose of this determination is to provide an analysis of any other matters as related to the data analysis provided in the previous sections of this report, the affected and stakeholder agency interviews, and distributed questionnaires.

The District relies on PWP to provide water services, water infrastructure, and administrative services including billing and customer services to the residents, landowners, and business owners within its service area. The District has little to no control over the future water provisions, infrastructure improvements, rates and rate restructuring, and the opportunity for shared facilities.

Although the District has a nominal role in providing water services to the customers within its service area, the District maintains a reserve fund of approximately \$247,000 and collects an annual share of the property taxes of approximately \$9,600.00. It is recommended that the money collected by the District from the County of Los Angeles property taxes be transferred to PWP. The District's reserve fund should also be transferred to PWP; however these funds should be held in a separate account that can only be used to fund any capital improvements or

repairs needed for the infrastructure that currently serves the District.

7. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Senate Bill 244, recently enacted on February 10, 2011, imposed state mandates on local governments, including cities, counties and LAFCOs. This bill requires LAFCO to make determinations regarding "disadvantaged unincorporated communities." Disadvantaged unincorporated communities are defined as territory that constitutes all or a portion of a "disadvantaged community" including 12 or more registered voters or some other standard as determined by the LAFCO Commission. A "disadvantaged community" is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. "Severely disadvantaged community" means a community with a median household income less than 60 percent of the statewide average (Water Code Section 79505.5).

The legislation will impact LAFCO operations in three respects:

1. Municipal Service Review (MSR) determinations.
2. Sphere of Influence updates on or after July 1, 2012
3. Annexation approval restrictions of territory adjacent to disadvantaged communities.

Item numbers one and two are further described below, however as this MSR does not concern the approval of an annexation, item number three will not be discussed in this report.

1. Municipal Services Reviews - §56430

LAFCO is required to prepare specific written determinations on infrastructure needs or deficiencies related to sewer, water, and fire protection services in any disadvantaged unincorporated community within or contiguous to the sphere of influence of a city or special district that provides those services.

2. Spheres of Influence - §56425

After July 1, 2012 the Commission is required to adopt additional determinations for an update of a sphere of influence of a city or special district that provides public facilities, or services related to sewer, water, or fire protection. LAFCO must make determinations regarding the present and probable need for those public facilities and services in any disadvantaged unincorporated communities within the existing sphere of influence.

In accordance with the 2010 United States Census, the median statewide household income is \$54,459. 80 percent of the median statewide household income is \$43,567. As the District does not conform to city boundaries, census tracts were used to determine the median household income. The unincorporated area of the District includes one census tract identified as tract # 4631.02. It is important to note that this census tract does not completely align with the District's service boundary and encompass a much larger area as shown in **Exhibit 10-2: Census Tract Locations** below. Census tract # 4631.02 has an annual average household income of \$120,063 or 220% of the statewide annual median household income. Census tract #4631.02 and for that matter each of the census tracts that surround the District are not considered a disadvantaged community. Census tract #4631.02 along with the surrounding census tracts are further described in **Exhibit 10-3: Census Tract Annual Median Household Income** below.

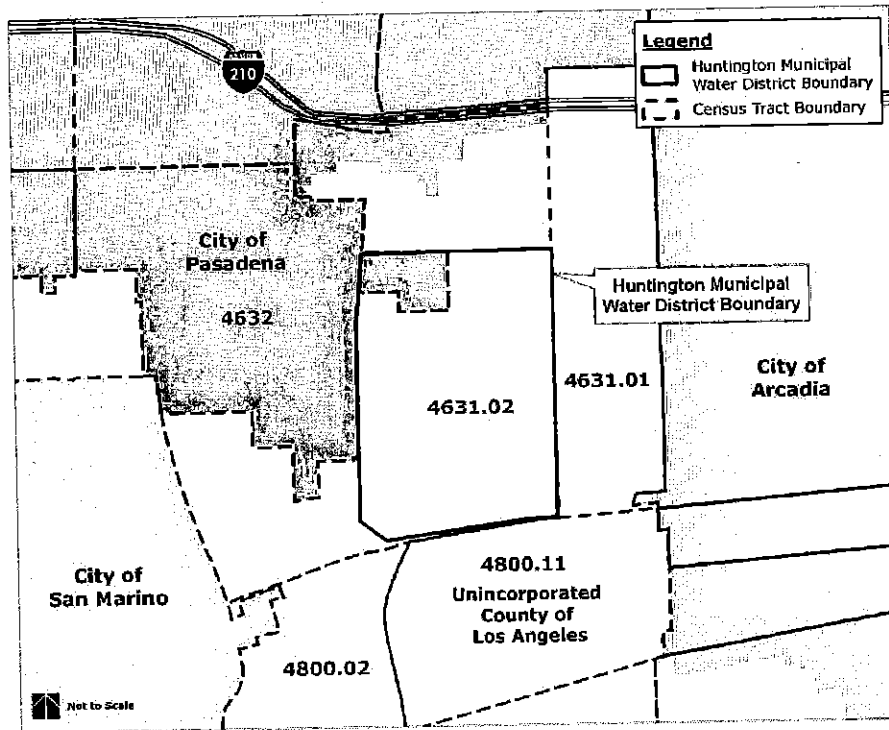


Exhibit 10-2:
Census Tract Locations

**Exhibit 10-3:
Census Tract Annual Median Household Income**

Census Tract	Statewide Annual Median Income	Annual Median Household Income	Percentage of Annual Statewide Annual Median Income
4800.02	\$54,459.00	\$120,063.00	220%
4631.02		\$71,000.00	130%
4631.01		\$65,089.00	120%
4632		\$71,204.00	131%
4800.11		\$55,093.00	101%

Table Notes:

1) 2010 United States Census

10.1 Sphere of Influence (SOI) and District Recommendation

It is recommended that LAFCO consider the dissolution of the District. This determination is based on the following findings:

- ▷ The District Board meets only once a year, has no website, and apart from the yearly meetings and newspaper advertisements, does not have an active role in the provision of water services to its service area. In fact, if a person were to move into the District's service area they would more than likely be completely unaware of the District's existence. The new resident would receive his/her water bills directly from PWP and if the customer had any service issues, would directly contact PWP. The new resident would only be aware of the District's existence and limited operations through a newspaper notice or, perhaps, an HOA newsletter.
 - This point is further demonstrated in the District's response to the questionnaire as shown in **Appendix B – Agency Correspondence** on page 93 of this report. Question #26 asks the District to "describe the process and requirements for property owners that request your agency to provide service within your boundaries ..." In their response, the District simply states "Call Pasadena DWP". The District's response illustrates the minimal role they play in the provision of water and customer services.
- ▷ The District has no water rights, no infrastructure, no staff, no legal counsel, no published budget, and no conservation programs or measures. The District solely relies on PWP for the provision of water services.
- ▷ The District maintains a reserve fund of approximately \$247,000.00 and collects an annual share of the property taxes of approximately \$9,600.00. The money collected by the District should be used to fund the provision of water services including repairs and capital improvements in the District's service boundaries.

Appendix A – 1931 Contract

C O N T R A C T

Between

CITY OF PASADENA,
and
A. B. CHAPMAN ESTATE

April 1931

C O N T R A C T

THIS AGREEMENT made this 20 day of April 1931,
by and between the CITY OF PASADENA, a municipal corporation
of the State of California, hereinafter referred to as the
City, as the First Party, and A. B. CHAPMAN ESTATE, a
corporation of the State of California, and RICHARD BECK
CHAPMAN, as Trustee of the Trust created by the Last Will and
Testament of Alfred Beck Chapman, deceased, said corporation
and trustee being hereinafter collectively referred to as
Second Parties,

W I T N E S S E T H :

That in consideration of the purchase price to be
paid as hereinafter provided, the Second Parties agree to
sell, and the City agrees to buy all of that certain real
property in the County of Los Angeles particularly described
as follows:

PARCEL NO. 1

The northerly 243.00 feet of Lot No. 1, Tract No.
901 as per map recorded in Book 16, pages 174 and 175 of
Maps, Records of Los Angeles County, reserving therefrom an
easement for road purposes over the westerly 30 feet of said
property, together with the right to dedicate the same as a
public road.

PARCEL NO. 2

Beginning at a point in the easterly line of that
250 foot strip of land described in deed recorded in Book 1807,
page 108, Official Records of Los Angeles County, distant
thereon south 0° 27' 30" west 1553.87 feet from the south-
westerly corner of Lot 411, Tract No. 8416 as per map recorded
in Book 112, pages 85 to 88 of Maps, Records of Los Angeles
County; thence north 88° 15' 30" east 593.55 feet; thence
south 18° 29' 30" east 302.23 feet to the true point of beginning;
thence continuing south 18° 29' 30" east 190.00 feet to the
northeastly corner of that parcel of land described in
deed recorded in Book 7423, page 139, Official Records of Los
Angeles County; thence along the northerly line of said parcel
of land north 21° 21' 30" west 285.02 feet; thence south 00°
17' 05" west 236.00 feet to the easterly line of a forty foot
private roadway; thence along said easterly line north 02°
43' 50" west 22.23 feet to the southerly line of that parcel
of land conveyed to Robert Miller and described in deed
recorded in Book 9354, page 107, Official Records of Los

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Angeles County; thence along said southerly line north $60^{\circ} 17' 05''$ east 495.23 feet to the true point of beginning.

PARCEL NO. 3

An easement for road and pipe line purposes over a strip of land forty feet in width along the following described center line: beginning at the southwest corner of Lot 411, Tract No. 8316 as per map recorded in Book 112, pages 95 to 98 of Maps, Records of Los Angeles County; thence south $0^{\circ} 27' 30''$ west 1523.67 feet; thence north $88^{\circ} 15' 40''$ east 20.01 feet to the true point of beginning; thence south $0^{\circ} 27' 30''$ west 321.59 feet to a tangent curve concave to the northeast having a radius of 69.40 feet; thence southeasterly along the arc of said curve 76.36 feet; thence south $62^{\circ} 45' 30''$ east 207.03 feet, reserving the right to dedicate to the public use all of the above described 40 foot strip or any part thereof.

PARCEL NO. 4

Beginning at the intersection of the center lines of Madre Street and Lombardy Road as shown on map of Tract No. 7987 recorded in Book 139, pages 61 and 62 of Maps, Records of Los Angeles County; thence along the center line of said Madre Street south $20^{\circ} 41' 30''$ east 411.25 feet to a tangent curve concave to the west having a radius of 1179.56 feet; thence at right angles southwesterly 30.00 feet to the westerly line of said street; thence southerly along said westerly line 17.61 feet; thence south $75^{\circ} 59' 10''$ west 280.00 feet to the true point of beginning; thence continuing south $75^{\circ} 59' 10''$ west 200.82 feet to the easterly line of that parcel of land described in deed recorded in Book 7453, page 159, Official Records of Los Angeles County; thence along said easterly line north $9^{\circ} 01' 30''$ west 112.91 feet; thence north $18^{\circ} 29' 30''$ west 92.26 feet; thence north $88^{\circ} 15' 40''$ east 183.00 feet; thence south $20^{\circ} 41' 30''$ east 166.69 feet to the true point of beginning.

PARCEL NO. 5

An easement for road and pipe line purposes over a strip of land 30 feet wide extending from the easterly line of the above described PARCEL NO. 4 to the westerly line of Madre Street, the southerly line of which is described as follows: beginning at the southeasterly corner of said PARCEL NO. 4; thence north $75^{\circ} 59' 10''$ east 280.00 feet to the westerly boundary of said Madre Street as shown on a map of Tract No. 7987 recorded in Book 139, page 61 and 62 of Maps, Records of Los Angeles County.

PARCEL NO. 6

Lots 140 and 141 and the westerly 20 feet of Lots 112 and 113, Tract No. 8316 as recorded in Book 112, pages 85 to 88 of Maps, Records of Los Angeles County, reserving therefrom an easement for road purposes over the westerly 20 feet of the above mentioned lots 112 and 113, together with the right to dedicate the same to the public use.

PARCEL NO. 7

Beginning at the northwesterly corner of Lot 14, Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County; thence along the northerly line of said Lot 14 north $89^{\circ} 54' 30''$ east 188.34 feet; thence south $0^{\circ} 08' 45''$ west 125.00 feet; thence south $89^{\circ} 54' 30''$ west 202.91 feet to the westerly line of said Lot 14; thence north $6^{\circ} 47' 29''$ east 125.91 feet to the point

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of beginning, reserving therefrom an easement for road purposes over the southerly 25 feet of the above described property, together with the right to dedicate the same to public use.

PARCEL NO. 8

An easement for road and pipe line purposes over a strip of land 25.00 feet wide, being 12.5 feet on each side of the following described center line: beginning at the intersection of the center lines of Colorado Street and Madre Street as said streets are shown on map of Tract No. 8249 recorded in Book 63, page 35 of Maps, Records of Los Angeles County; thence along the center line of Madre Street produced northerly to the northerly line of Colorado Street as it now exists 100.00 feet wide, said last mentioned point being the true point of beginning; thence continuing along the northerly prolongation of Madre Street to a point which is south $0^{\circ} 08' 45''$ west 112.80 feet from the northerly line of Lot 14, Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County; thence westerly parallel with said northerly line to a point which is north $89^{\circ} 54' 30''$ east 801.46 feet from the westerly line of said Lot 14. Said last mentioned point being a point in the easterly line of that parcel of land described herein as PARCEL NO. 7, being distant thereon north $0^{\circ} 08' 45''$ east 12.80 feet from the southeast corner thereof.

PARCEL NO. 9

An easement 10 feet wide for pipe line purposes, being the westerly 10 feet of Lot 1, of Tract No. 901, as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, excepting therefrom the northerly 242.00 feet thereof described herein as PARCEL NO. 1.

PARCEL NO. 10

An easement 10 feet wide for pipe line purposes, being the westerly 10 feet of Lot 12, Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County.

PARCEL NO. 11

An easement five feet wide for pipe line purposes, being that portion of the northerly five feet of Lot 14, TRACT NO. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, lying west of the northerly prolongation of the easterly line of Madre Street and easterly of a line beginning at a point in the northerly line of said Lot 14 distant thereon north $89^{\circ} 54' 30''$ east 188.84 feet from the northwest corner thereof and running south $0^{\circ} 08' 45''$ west, said line being the easterly line of the land described herein as PARCEL NO. 7.

PARCEL NO. 12

An easement seven feet wide for pipe line purposes, over the easterly seven feet of Lot 79, and an easement five feet wide over the southerly five feet of Lot 79 except the westerly 145 feet thereof, in Tract No. 4850 as per map recorded in Book 23, page 11 of Maps, Records of Los Angeles County.

PARCEL NO. 13

An easement 10 feet wide for pipe line purposes, the northerly line of which is the southerly line of that portion of Huntington Drive lying southerly of the Pacific Electric right of way, as per deed recorded in Book 4492, page

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159 of Deeds, Records of Los Angeles County, beginning at a point in said southerly line distant 654.78 feet westerly from the intersection of said line with the westerly line of Rosemead Avenue, as shown on map of Tract No. 3707, recorded in Book 40, page 51 of Maps, Records of Los Angeles County, and extending along said southerly line of Huntington Drive 553.27 feet westerly from the point of beginning.

PARCEL NO. 14

An easement five feet wide for pipe line purposes, the northerly line of said easement being the southerly line of that portion of Huntington Drive lying southerly of the Pacific Electric right of way and extending from the westerly line of Rosemead Avenue to a point 180.00 feet westerly, measured along said southerly line, said Huntington Drive and Rosemead Avenue being shown on map of Tract No. 3707 recorded in Book 40, page 51 of Maps, Records of Los Angeles County.

PARCEL NO. 15

An easement five feet wide for pipe line purposes, the easterly line of said easement being the westerly line of Rosemead Avenue, as shown on map of Tract No. 3707, as recorded in Book 40, page 51 of Maps, Records of Los Angeles County, said five foot easement extending from the southerly line of Huntington Drive to a point 225.00 feet southerly measured along the westerly line of said Rosemead Avenue.

PARCEL NO. 16

An easement five feet wide for pipe line purposes, being two and one-half feet on each side of the following described center line: Beginning at a point in the northerly line of that parcel of land described in deed recorded in Book 6194, page 531, Official Records of Los Angeles County, distant thereon north 89° 43' 30" west 41.00 feet from the northeast corner thereof; thence northerly in a straight line to a point in the southerly line of San Pasqual Street, as shown on map of Tract No. 7987 recorded in Book 139, pages 61 and 62 of Maps, Records of Los Angeles County, distant thereon north 89° 34' west 325.00 feet from the westerly line of Rosemead Avenue, as shown on map of said Tract No. 7987.

PARCEL NO. 17

An easement five feet wide, for pipe line purposes, being two and one-half feet on each side of the following described center line: Beginning at a point in the easterly line of Lot 7, Tract No. 7987 as shown on map recorded in Book 159, pages 61 and 62 of Maps, Records of Los Angeles County; distant thereon south 0° 15' west 165.00 feet from the southerly line of California Street, as shown on map of said Tract No. 7987; thence in a straight line to a point which is north 46° west 82.3 feet from the intersection of the center lines of Lombardy Road and Vallambrosa Drive as shown on map of said Tract No. 7987; thence south 8° west to the northerly line of said Lombardy Road, excepting therefrom any portion of the above described five foot easement that is within the limits of a dedicated street.

PARCEL NO. 18

An easement five feet wide for pipe line purposes, being two and one-half feet on each side of the following described center line: beginning at the intersection of the center lines of Madre Street and Huntington Drive as shown on map of Tract No. 7987 recorded in Book 139, pages

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61 and 62 of Maps, Records of Los Angeles County; thence along the center line of said Huntington Drive north 81° 49' 20" east 184.50 feet; thence north 2° 43' 30" west to a point in the northerly line of Huntington Drive, said last mentioned point being the true point of beginning; thence continuing from said true point of beginning north 2° 43' 30" west to a point in the southeasterly line of said Madra Street.

PARCEL NO. 19

An easement five feet wide for pipe line purposes, being two and one-half feet on each side of the following described center line: beginning at a point in the southerly line of that parcel of land described herein as PARCEL NO. 4, distant thereon south 75° 59' 10" west 515.00 feet from the westerly line of Madra Street as shown on map of Tract No. 7937 recorded in Book 139, pages 61 and 62 of Maps, Records of Los Angeles County; thence south 19° 37' east 192.00 feet; thence south 73° 35' east 179.7 feet; thence south 2° 42' west 69.00 feet; thence south 52° 18' east 31.5 feet; thence south 15° 33' east to the northerly line of a parcel of land described in deed recorded in Book 6050, page 374 of Official Records of Los Angeles County.

PARCEL NO. 20

An easement five feet wide for pipe line purposes over the easterly five feet of the westerly 20 feet of Lots 109, 110 and 111, Tract No. 8616 as recorded in Book 112, pages 65 to 63 of Maps, Records of Los Angeles County.

PARCEL NO. 21

An easement five feet wide for pipe line purposes over the northerly five feet of the westerly 30 feet of Lot 18, Tract No. 901 as recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County.

PARCEL NO. 22

An easement for pipe line purposes over the southerly five feet of Lot 85, Tract No. 4950, as per map recorded in Book 52, page 11 of Maps, Records of Los Angeles County. It is understood that the easement herein described is to be conveyed by the Second Parties without warranty of title.

PARCEL NO. 24

An easement five feet wide for pipe line purposes, being two and one-half feet on each side of the following described center line: beginning at a point in the northerly line of the 40 foot Southern Pacific right of way as described in deed recorded in Book 375, page 246 of Deeds, Records of Los Angeles County, distant thereon south 71° 13' 40" west 56.5 feet from the southeasterly corner of that parcel of land described by deed recorded in Book 1163, page 389 of Official Records of Los Angeles County; thence north 11° 14' west 34.00 feet; thence in a straight line northerly to a point in the easterly line of the above mentioned parcel of land distant thereon south 9° 05' 30" east 81.00 feet from the northeast corner thereof. It is understood that the easement herein described is to be conveyed by the Second Parties without warranty of title.

PARCEL NO. 26

An easement five feet wide for pipe line purposes, being two and one-half feet on each side of the following described center line: beginning at a point in the northerly line of that parcel of land described by deed recorded

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in Book 6050, page 374, Official Records of Los Angeles County, distant thereon south 75° 59' 10" west 133.1 feet from the northeasterly corner thereof; thence south 18° 38' east 126.00 feet; thence in a straight line southerly to a point in the northwesterly line of Madra Street distant thereon south 29° 18' 45" west 17.50 feet from the beginning of a curve concave to the northwest and having a radius of 460.38 feet, subject to an agreement on the part of the City to release said easement whenever the pipe line laid therein is abandoned or it is necessary to replace said pipe line. It is also understood that the easement herein described is to be conveyed by the Second Parties without warranty of title.

PARCEL NO. 28

An easement for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the easterly line of the property conveyed to Gale Seaman and Minnie Lee Seaman by deed recorded in Book 835, page 176, of Official Records of Los Angeles County; said property lying along the westerly line of Rosemead Avenue, between Huntington Drive and the Southern Pacific right of way.

PARCEL NO. 29

An easement for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the easterly line of the property conveyed to May Cross by deed recorded in Book 945, page 111, of Official Records of Los Angeles County; said property lying along the westerly line of Rosemead Avenue, between Huntington Drive and the Southern Pacific right of way.

PARCEL NO. 30

An easement for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the easterly line of the property conveyed to Ella M. Jaroski by deed recorded in Book 3967, page 196, of Official Records of Los Angeles County; said property lying along the westerly line of Rosemead Avenue, between Huntington Drive and the Southern Pacific right of way.

PARCEL NO. 31

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the easterly and southerly lines of the property conveyed to Milton M. Aldridge and Lillian M. Aldridge by deed recorded in Book 2650, page 80, of Official Records of Los Angeles County; said property lying along the westerly line of Rosemead Avenue and the northerly line of the Southern Pacific right of way.

PARCEL NO. 32

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly, southerly, and westerly lines of the property conveyed to Everett M. Wolcott by deed recorded in Book 856, page 51, of Official Records of Los Angeles County; said property being a portion of the land lying between Huntington Drive, the Southern Pacific right of way, Muscatel and Rosemead Avenues.

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PARCEL NO. 33

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly, southerly, and westerly lines of the property conveyed to Ernest B. Day and Rhoda J. Day by deed recorded in Book 1690, page 110, of Official Records of Los Angeles County; said property being a portion of the land lying between Huntington Drive, the Southern Pacific right of way, Muscatel and Rosemead Avenues.

PARCEL NO. 34

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly and southerly lines of the property conveyed to Sara Murphy by deed recorded in Book 3001, page 133, of Official Records of Los Angeles County; said property being on the southerly side of Huntington Drive westerly of Rosemead Avenue.

PARCEL NO. 35

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly and southerly lines of the property conveyed to Stolla Louise Bartlett by deed recorded in Book 2949, page 260, of Official Records of Los Angeles County; said property being on the southerly side of Huntington Drive westerly of Rosemead Avenue.

PARCEL NO. 36

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly and southerly lines of the property conveyed to Edgar C. Kenyon and Mary Kenyon by deed recorded in Book 3029, page 181, of Official Records of Los Angeles County; said property being on the southerly side of Huntington Drive westerly of Rosemead Avenue.

PARCEL NO. 37

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly and southerly lines of the property conveyed to H. E. Bonbright by deed recorded in Book 1143, page 20, of Official Records of Los Angeles County; said property being a portion of the land lying between Huntington Drive, the Southern Pacific right of way, Muscatel and Rosemead Avenues.

PARCEL NO. 38

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width along the northerly and southerly lines of the property conveyed to Willie B. Murphy by deed recorded in Book 1065, page 197, of Official Records of Los Angeles County; said property being a portion of that land lying between Huntington Drive, the Southern Pacific right of way, Muscatel and Rosemead Avenues.

PARCEL NO. 39

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width lying along the northerly and southerly lines of the land conveyed to C. F. Pease by deed recorded in Book 1165, page 389, of Official Records of Los Angeles County.

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Los Angeles County; said land lying between Huntington Drive and the Southern Pacific right of way and on both sides of Muscatel Avenue.

PARCEL NO. 40

An easement for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width lying along the northerly and southerly lines of the property conveyed to Mary Emma Bonbright and Edwin S. Bonbright by deed recorded in Book 8159, page 55, of Official Records of Los Angeles County; said property being a portion of that land lying between Huntington Drive, the Southern Pacific right of way, Muscatel and Rosemead Avenues.

PARCEL NO. 41

An easement 20 feet in width for road purposes and pipe and pole lines, lying along the southerly side of the property as reserved in deed to Evelyn L. Box, dated in January 1929 and recorded in Book 7433, page 139, of Official Records of Los Angeles County; said easement being a portion of a private drive extending southerly from Lombardy Road.

✓ PARCEL NO. 42

An easement 20 feet in width for road purposes and laying and maintaining water mains, lying along the north-easterly line of the property as reserved in deed to Lucy G. Lantz recorded in Book 7433, page 45, of Official Records of Los Angeles County; said easement being a portion of a private drive extending southerly from Lombardy Road.

✓ PARCEL NO. 43

An easement 20 feet in width for road purposes and pipe and pole lines over and across the northerly portion of a certain parcel of land as reserved in deed to M. A. Moule and Mary E. Moule, dated March 1928 and recorded in Book 7312, page 264, of Official Records of Los Angeles County; said easement being a portion of a private drive extending southerly from Lombardy Road.

PARCEL NO. 44

An easement 40 feet in width for road purposes and pipe and pole lines, lying along the westerly line of a parcel of land as reserved in deed to Mary S. Chapman dated May 1927 and recorded in Book 6657, page 269, of Official Records of Los Angeles County; said easement being a private drive extending north from Lombardy Road.

PARCEL NO. 45

An easement 50 feet in width for pipe and pole lines, over, under and across the southerly portion of a certain parcel of land reserved in deed to Milton Hesselberger and Nina P. Hesselberger, dated July 1926 and recorded in Book 6870, page 347, of Official Records of Los Angeles County, being a part of a westerly extension of California Street, as shown on map of Tract No. 7987 recorded in Book 139, pages 61 and 62 of Maps, Records of Los Angeles County.

✓ PARCEL NO. 46

An easement, a portion of which is 20 feet in width and a portion of which is 40 feet in width, for road purposes and pipe and pole lines, lying along the westerly lines of a certain parcel of land as reserved in deed to Robert P. Miller and Helen C. Miller, dated April 1927 and recorded in Book 9254, page 107, of Official Records of Los Angeles County.

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also a pole line easement one foot in width along the easterly and southerly lines of the lands conveyed in the above mentioned deed.

PARCEL NO. 47

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width lying along the northerly and southerly lines of the property as reserved in deed to Abel Burman and Ingeborg Burman recorded in Book 7836, page 325, of Official Records of Los Angeles County; said property lying between Huntington Drive, the Southern Pacific right of way and east of Muscatel Avenue.

PARCEL NO. 48

Easements five feet in width for pipe line purposes as reserved to the A. B. Chapman Estate along the westerly line of Lots 76, 135, and 162 of Tract No. 6249 as per map recorded in Book 66, page 86 of Maps, Records of Los Angeles County.

PARCEL NO. 49

An easement 10 feet in width for water mains and pipe line purposes as reserved to the A. B. Chapman Estate along the north line of Lot 88, Tract No. 4850 as per map recorded in Book 82, page 93 of Maps, Records of Los Angeles County.

PARCEL NO. 50

Easements for the purpose of installing and maintaining water mains and connections thereto in the Lots hereinafter described in Tract No. 4850 as shown on map recorded in Book 82, page 93 of Maps, Records of Los Angeles County and located on such Lots as hereinafter set out; all of said easements being five feet in width, to wit:

- a. In Lot 1, along the south and east lines thereof;
- b. In Lots 2, and 3, along the east line thereof;
- c. In Lot 4, along the north and east lines thereof;
- d. In Lot 5, along the north, east and south lines thereof;
- e. In Lots 6 to 14, both inclusive, along the north and south lines thereof;
- f. In Lot 15, along the north, south and west lines thereof;
- g. In Lot 16, along the north and west lines thereof;
- h. In Lots 17 to 26, both inclusive, along the north line thereof;
- i. In Lot 26, along the north and east lines thereof;
- j. In Lot 27, along the south and east lines thereof;
- k. In Lots 28 and 29, along the east line thereof;
- l. In Lot 30, along the north and east lines thereof;
- m. In Lot 31, along the south and east lines thereof;
- n. In Lots 32 to 40, both inclusive, along the south line thereof;
- o. In Lot 41, along the south and west lines thereof;
- p. In Lot 42, along the north and west lines thereof;
- q. In Lots 43 to 51, both inclusive, along the north line thereof;
- r. In Lot 52, along the north and east lines thereof;
- s. In Lot 53, along the south and east lines thereof;
- t. In Lots 54 and 55, along the east line thereof;
- u. In Lot 56, along the east and north lines thereof;
- v. In Lot 57, along the south and east lines thereof;
- w. In Lots 58 to 63, both inclusive, along the south line thereof;

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- x. In Lot 67, along the south and west lines thereof;
- y. In Lot 68, along the north and west lines thereof;
- z. In Lots 69 to 77, both inclusive, along the north line thereof;
- aa. In Lot 78, along the north and east lines thereof;
- bb. In the west 145 feet of Lot 79, along the north and south lines thereof;
- cc. In Lots 80 and 81, along the north, south and east lines thereof;
- dd. In Lot 82, along the north and south lines thereof;
- ee. In Lot 83, along the south and west lines thereof;
- ff. In Lots 84, and 86 to 90, both inclusive, along the north and south lines thereof;
- gg. In Lot 91, along the north, south and west lines thereof;
- hh. In Lots 92 to 109, both inclusive, along the easterly and southerly lines thereof;
- ii. In Lots 106 to 109, both inclusive, along the northerly line thereof.

PARCEL NO. 51

Easements for the purpose of installing and maintaining water mains and connections thereto in the Lots hereinafter described in Tract No. 3747 as shown on map recorded in Book 40, page 96 of Maps, Records of Los Angeles County and located on such lots as hereinafter set out; all of said easements being five feet in width, to wit:

- a. In Lots 1 to 12, both inclusive, along the south line thereof;
- b. In Lots 13 to 24, both inclusive, along the north line thereof;
- c. In Lots 25 to 33, both inclusive, along the south line thereof;
- d. In Lots 37 to 43, both inclusive, along the north line thereof;
- e. In Lots 49 to 51, both inclusive, along the north and south lines thereof.

PARCEL NO. 52

Easements for the purpose of installing and maintaining water mains and connections thereto in the Lots hereinafter described in Tract No. 3707, as shown on map recorded in Book 40, page 51 of Maps, Records of Los Angeles County and located on such Lots as hereinafter set out; all of said easements being five feet in width, to wit:

- a. In Lot 1, along the north and west lines thereof;
- b. In Lots 2 to 4, both inclusive, along the west line thereof;
- c. In Lots 5 to 8, both inclusive, along the north line thereof.

PARCEL NO. 53

An easement five feet in width for pipe line purposes over and across the easterly 163.42 feet of Lot 5, of Tract No. 901, as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, which said easement is described as follows, to wit: two and one-half feet on each side of a center line beginning at a point in the easterly line of the above described property 12.5 feet from the northeasterly corner thereof; thence westerly parallel with the north line of said property to a point in the westerly line thereof 12.5 feet from the northwesterly corner of said property.

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PARCEL NO. 54

Easements for the purpose of installing and maintaining water mains and connections thereto in the lots hereinafter described in Tract No. 901, as shown on map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County and located on such lots as hereinafter set out; all of said easements being five feet in width excepting therefrom item q, which is hereinafter more particularly described, to wit:

- a. In Lots 3, 4 and 5, along the southerly lines thereof;
- b. In Lot 6, along the north line thereof;
- c. In Lot 7, along the north line of the east 170.5 feet thereof;
- d. In Lot 7, along the north line of the west 138.7 feet thereof;
- e. In Lot 8, along the north line of the east 148.95 feet thereof;
- f. In Lot 8, along the north line of the west half thereof;
- g. In Lot 9, along the north line of the east 149.0 feet thereof;
- h. In Lot 9, along the north line of the west 148.88 feet thereof;
- i. In Lot 10, along the north line of the west 80 feet thereof;
- j. In Lot 10, along the north line of the east 80 feet of the west 149 feet thereof;
- k. In Lot 10, along the north line of the east 148.95 feet thereof;
- l. In Lot 11, along the north line thereof;
- m. In Lot 12, along the north line of the east 169.60 feet thereof;
- n. In Lot 12, along the north line of the east 180 feet of the west 190 feet thereof;
- o. In Lot 13, along the north line of the east half thereof;
- p. In Lot 14, along the north and east lines of the east 109.29 feet thereof;
- q. In Lot 16, along the west line an easement 10 feet in width, also along the south line an easement five feet in width thereof;
- r. In Lot 17, along the south line of the west 78.70 feet thereof;
- s. In Lot 17, along the south line of the east 75 feet of the west 151.70 feet thereof;
- t. In Lot 17, along the south line of the east 100 feet of the west 251.70 feet;
- u. In Lot 17, along the south line of the east 325 feet.

PARCEL NO. 55

An easement five feet in width for the purpose of installing and maintaining water mains and connections thereto and for the purpose of conducting water through the same, together with the right of entry thereon over and across the easterly 148.95 feet of Lot 10, of Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County; said easement being two and one-half feet on each side of the following described center line: beginning at a point in the easterly line of the above

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described property distant 52.5 feet from the northeast corner thereof and running west parallel with the northerly line thereof to a point in the westerly line distant 52.5 feet from the northwest corner of said property.

PARCEL NO. 56

An easement five feet in width for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, along the easterly and southerly lines of Lots 32 and 33 of Tract No. 7620 as recorded in Book 92, page 9 of Maps, Records of Los Angeles County; said easement was granted by the California Trust Company by deed dated March 28, 1924 and recorded in Book 2969, page 360 of Official Records of Los Angeles County.

PARCEL NO. 57

An easement five feet in width for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, being two and one-half feet on each side of the following described center line in Lot 5 of Tract No. 3707 as per map recorded in Book 40, page 51 of Maps, Records of Los Angeles County: beginning at a point in the easterly line of said Lot 5, which point lies 17.5 feet southerly from the north line thereof and running thence westerly parallel with the northerly line to the westerly line thereof, said easement being granted by deed dated May 31, 1924 and recorded in Book 5398, page 188, of Official Records of Los Angeles County.

PARCEL NO. 58

An easement for the installation of pipe lines and meters, including the right of entry, over the westerly five feet of the northerly 13 feet of the easterly 73.95 feet of the north 132 feet of the easterly 148.95 feet of Lot 8, Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, as granted by deed recorded in Book 2796, page 49 of Official Records of Los Angeles County.

PARCEL NO. 59

An easement six feet in width for the purpose of installing water mains and connections thereto, including the right of entry, within Lot 17, Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, as granted by deed recorded in Book 3710, page 318 of Official Records of Los Angeles County.

PARCEL NO. 60

Easements for the purpose of installing and maintaining water mains and connections thereto, including the right of entry, five feet in width being two and one-half feet on each side of the following described center lines, lying within the westerly 200 feet of the easterly 363.42 feet of Lot 5, of Tract No. 901 as per map recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, (beginning at a point in the easterly line of the above described property, which point lies 17.5 feet from the northeast corner thereof; thence westerly parallel with the northerly line thereof 17.5 feet from the northwesterly corner of said property; also beginning at a point in the easterly line of said property which point is 107.5 feet from the northerly line thereof, running westerly parallel with the northerly line to a point in the westerly line 107.5 feet from the northwest corner of said property; also beginning at a point in the northerly line 100 feet west of the northeast corner of said property; thence south parallel with the

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easterly line of the same to a point in the southerly line, which point is 100 feet from the southeast corner thereof, said easements being granted by deed recorded in Book 5073, page 287 of Official Records of Los Angeles County.

PARCEL NO. 61

An easement three feet in width for pipe line purposes, lying along the north three feet of the west half of Lot 13, of Tract No. 001 as per map recorded in Book 18, pages 174 and 175 of Maps, Records of Los Angeles County, said easement being conveyed to the A. B. Chapman Estate and Richard Book Chapman, as trustee by deed from Ann Forsyth and James Forsyth, dated September 4, 1920 and recorded September 7, 1920 in Book 7339, page 31 of Deeds, Records of Los Angeles County.

PARCEL NO. 62

An easement, including the right of entry together with the use of such land as is reasonably necessary, for the purpose of operation and maintenance of a 200 barrel galvanized iron tank for reservoir purposes now existing at a point adjoining the easterly side of the five foot easement described herein as PARCEL NO. 19, being about 65 feet northerly from the north line of the property described in deed recorded in Book 5059, page 374, of Official Records of Los Angeles County. The easement in this paragraph granted may be terminated by Second Parties or their successors by notice in writing given to the City thirty days prior to date of termination, provided that the termination of the easement shall also terminate the easement to maintain a certain barn as reserved to Second Parties in paragraph 1 of easements, conditions and restrictions hereinafter set out.

PARCEL NO. 63

All easements for water conduits and pipes across the Southern Pacific right of way as reserved to A. B. Chapman, predecessor of the Second Parties, in deed recorded in Book 375, page 248 of Deeds, Records of Los Angeles County.

PARCEL NO. 64

All easements for water conduits and pipes across the Pacific Electric Railway Company right of way as reserved in agreement recorded in Book 1893, page 259 of Deeds, Records of Los Angeles County.

PARCEL NO. 65

All rights of the Second Parties to a license for a pipe line crossing under the Abchison, Tepeka & Santa Fe Railway Company right of way; said license carries the identification, "Superintendents No. 3453".

PARCEL NO. 66

All water and water rights in and under the lands formerly owned by A. B. Chapman and Cathorino L. Chapman, wife of William S. Chapman, as conveyed in deed recorded in Book 12, page 448, of Deeds, and by deed from William S. Chapman to A. B. Chapman recorded in Book 61, page 600 of Deeds, Records of Los Angeles County, boundaries of said lands to be as modified by an agreement between Louis Wolfskill and A. B. Chapman et al recorded in Book 15, page 564 of Deeds of said records, vested in the Second Parties

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including those reserved to the Second Parties in the following schedule of deeds to the Chapea Water Company:

- ✓ a. Deed dated July 31, 1896 and recorded in Book 1115, page 194 of Deeds;
- ✓ b. Deed dated October 12, 1896 and recorded in Book 1127, page 180 of Deeds;
- ✓ c. Deed dated June 15, 1897 and recorded in Book 1174, page 61 of Deeds;
- ✓ d. Deed dated September 15, 1897 and recorded in Book 1177, page 274 of Deeds;
- ✓ e. Deed dated August 3, 1898 and recorded in Book 1247, page 171 of Deeds;
- ✓ f. Deed dated August 14, 1926 and recorded in Book 6118, page 73 of Official Records;
- ✓ g. Deed dated August 19, 1926 and recorded in Book 6060, page 266 of Official Records,

all being records of Los Angeles County: also, including all water and water rights in underground waters as reserved in grants or contracts for sale of property made by the Second Parties or their predecessors in interest lying within the area served by the Second Parties as hereinafter described; also, including all rights in underground waters in and under the property of the Second Parties in said area served; provided, however, that nothing herein contained shall be deemed to prevent the Second Parties, or any other owner of real property in the area so served, from developing water upon his or its land for use upon the lot or parcel of land whereon such water shall be developed; but this proviso shall not be deemed or construed to permit the development of any water in the area so served for resale or for distribution through the agency of any individual, mutual water company, corporation or any type of partnership or association.

All wells, reservoirs, tanks, buildings, structures, pumps, pumping plants, compressors, motors, transmission or distribution mains, pipe lines, gates, hydrants, services, meters and miscellaneous distribution equipment whether situated in public streets or on private rights of way or lands, also all other physical property, tools, equipment and supplies used in the supply and distribution of water by the water utility business of the Second Parties within said area served.

All easements or rights of way owned and/or held by the Second Parties for the purpose of installing and maintaining water mains, pipe lines, services, meters and miscellaneous distribution equipment; power lines; and for ingress and egress to wells, pumping plants, and reservoirs, whether described herein or not, lying within said area served.

The foregoing properties are to be conveyed subject to the following described easements, conditions, and restrictions:

1. An easement pertaining to PARCEL NO. 4 for the maintenance of the existing barn by the Second Parties with the right of entry thereto. The easement in this paragraph

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reserved may be terminated by the City by notice in writing given to the Second Parties or their successors in interest thirty days prior to such termination, provided that the termination of this easement shall also terminate the easement heretofore mentioned in PARCEL No. 62 to maintain a certain tank.

2. An obligation on the part of the City to release the easement along the east line of Lot 14, Tract No. 901, as described in PARCEL NO. 54 p, within 30 days from such time as the extension of Madre Street at least 267 feet northerly from Colorado Street shall be completed and a road easement therefrom to the land herein described as PARCEL NO. 7 shall be dedicated to public use by the Second Parties.

3. The properties herein described shall be conveyed free of all liens and encumbrances except County taxes for the fiscal year 1931-1932.

PURCHASE PRICE

The purchase price to be paid by the City to the Second Parties in consideration of the transfer of the said properties shall be the sum of One Hundred Twenty-five Thousand (\$125,000.00) Dollars, payable in the manner herein after set out under the heading "Escrow Holder and Instructions".

TIME OF DELIVERY

Regardless of the time of closing the escrow hereinafter provided for, delivery of possession of the properties herein described shall be made on the 1st day of July 1931, at which time the readings of all meters of the Second Parties shall be made by representatives of the City and the Second Parties, which readings shall be the last readings of the Second Parties and the first of the City; and all monies due for water served prior to the time of delivery of possession shall be payable by consumers of the Second Parties to the Second Parties, and all monies paid for water served after delivery of possession shall be due from such consumers to the City; provided, however, that the Second Parties shall not be required to deliver possession of the premises until and unless the City shall have paid the purchase price herein fixed into escrow in the manner

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herein provided, or until and unless the conveyance herein provided for shall have been approved by the Railroad Commission of the State of California. In the event that such approval shall not have been obtained prior to said time of delivery of possession, the parties hereto shall fix a date for delivery by a supplemental contract.

SERVICE OF WATER

In consideration of the transfer to it of the properties herein described, the City agrees that all consumers of water within the boundaries of the land served by the water system conveyed hereunder and hereinafter described, shall have a right to the continued service of water co-equal with the rights of all other consumers in the area served by the City of Pasadena, both within and without the territorial limits of the City, and that no preference shall be given to any portion of the said area served by the City to the detriment of consumers within the area heretofore served by the Second Parties and hereinafter described.

It is further agreed that the City shall supply water within the said area heretofore served by the Second Parties at rates not greater than those from time to time established by the City for serving water to other consumers of the same class. The area heretofore served by the Second Parties and hereinbefore referred to, is described as follows:

Beginning at the intersection of the southerly line of Foothill Boulevard (State Highway) with the westerly line of Lot 1, Tract No. 901 as shown on map as recorded in Book 16, pages 174 and 175 of Maps, Records of Los Angeles County, thence easterly along said southerly line of Foothill Boulevard to its intersection with the center line of East Pasadena Avenue; thence southerly along said center line to its intersection with the center line of Colorado Street; thence westerly along said last mentioned center line to its intersection with the center line of Lotus Avenue; thence southerly along said last mentioned center line to its intersection with the center line of Blanche Street; thence easterly along the last mentioned center line to its intersection with the center line of East Pasadena Avenue; thence

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southerly along last mentioned center line to its intersection with the center line of Huntington Drive (South side of Pacific Electric Right of way); thence easterly along last mentioned center line to its intersection with the westerly incorporate limits of the City of Arcadia, as same existed on the 21st day of April 1936; thence southerly along said incorporate limits to its intersection with the center line of Duarte Road (formerly called Melville Avenue); thence westerly along said last mentioned center line to its intersection with the southerly prolongation of the westerly line of land of A. B. Chapman, in Section 31, Township 1 north, Range 11 west, S.B.D. & M.; thence northerly, northwesterly, and northerly along the westerly line of said land of A. B. Chapman to its intersection with the center line of Blanche Street; thence easterly along last mentioned center line to its intersection with the southerly prolongation of the westerly line of Lot 18, Tract No. 901, formerly mentioned; thence northerly along said southerly prolongation and along the westerly line of said Lot 18 to its intersection with the center line of Colorado Street; thence westerly along said last mentioned center line to its intersection with the southerly prolongation of the westerly line of Lot 14, Tract No. 901, formerly mentioned; thence northerly along said southerly prolongation and along the westerly line of said Lot 14 to its northerly line thereof; thence easterly along said northerly line of Lot 14, and the prolongation thereof to its intersection with the westerly line of Lot 12 above mentioned Tract No. 901; thence northerly along said westerly line and the northerly prolongation to the point of beginning. EXCEPTING THEREFROM that parcel of land containing 15.1368 acres of land as conveyed to Lucy C. Lantz by Alfred B. Chapman on January 29th, 1913, and that parcel of land containing 5.212 acres as conveyed to Lucy C. Lantz by Alfred B. Chapman on December 18th, 1914.

INSTALLATION OF MAINS

In further consideration of the transfer to it of the properties herein described, the City agrees to install water mains and pipes to serve such portions of properties of the Second Parties as are not already served, such mains and pipe lines to be installed from time to time when required and requested by the Second Parties, and the City further agrees to install such mains and pipe lines at cost, and the Second Parties agree to pay therefor the actual cost of labor and material to the City, including a reasonable overhead charge. The City may at its option require the deposit of the estimated charge for any such mains or pipe lines in advance of the installation thereof. Nothing herein contained, however, shall be deemed to affect or limit the power of the City or County to levy and collect local assessments

Appendix A - 1931 Contract

under any improvement act of the State of California or municipal or county ordinance, for local improvements, including the installation of water mains.

FURTHER DEVELOPMENT OF WATER

In further consideration of the transfer to it of proportion hereinbefore described, the City agrees that it will not install wells, pumping equipment or other devices for the development of water upon any lands within that portion of the area served by the Second Parties and herein described, lying north of Huntington Drive and south of Blanche Street, without the express consent of the Second Parties. There is excepted, however, from the covenant in this paragraph contained all lands purchased by the City as part of the water system and hereinbefore described. The agreement in this paragraph contained shall terminate when the Second Parties shall have disposed of all of the properties now owned by them within the said area.

WATER RIGHTS DATA

The Second Parties agree to furnish to the City a complete statement of each and every part or parcel of the area served by said water system as herein described, heretofore sold by said Second Parties; which statement shall contain a correct legal description of the part or parcel sold together with a statement of the facts with reference to the underground water rights involved in each sale. The Second Parties do hereby warrant that said statement shall be a correct statement of the facts as disclosed by its records.

ESCROW HOLDER AND INSTRUCTIONS

The Title Insurance and Trust Company of Los Angeles shall act as escrow holder for the purpose of carrying out the sale and purchase herein provided for. It shall be the duty of the Second Parties hereunder after receipt of

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preliminary report of escrow holder and suitable checking of the same by the parties hereto, to deliver to the escrow holder deeds and/or instruments of conveyance sufficient in form and substance to transfer and convey to the City all of the proper herein agreed to be conveyed free and clear of all liens and encumbrances except County taxes for the fiscal year 1931-1932, which taxes the City shall assume and agree to pay. It shall further be the duty of the Second Parties to instruct said escrow holder to record such instruments and to deliver the same to the City when the said escrow holder shall have received from the City for payment to the order of the Second Parties the purchase price heretofore set out. When the escrow holder shall notify the City that it has completed its search of title and is ready to close the escrow herein provided for, it shall be the duty of the City hereunder to pay to the escrow holder the sum of One Hundred Twenty-five Thousand (\$125,000.00) Dollars, with instructions to pay out the said sum upon the order of the Second Parties when the escrow holder holds and is prepared to deliver to the City its policy of title insurance with liability limited to Thirty-five Thousand (\$35,000.00) Dollars, showing title to all of the real property including the easements and rights of way specifically described herein, to be vested in the City free of all liens and encumbrances including all local assessment liens and tax liens, excepting, however, County taxes for the fiscal year 1931-1932. Nothing herein contained shall obligate the Second Parties to deliver title to the easements and rights of way heretofore conveyed to them free of encumbrances incurred by the grantors thereof.

It is further agreed that all charges for searching, reporting on and insuring title shall be borne by the Second Parties. Escrow charges shall be borne in equal shares by the Second Parties and the City. Any charge for showing title vested in the new owner shall be paid by the City.

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CONSENT OF RAILROAD COMMISSION

Inasmuch as the Second Parties constitute a public utility, it is recognized that the consent of the Railroad Commission of the State of California is necessary to the sale herein contemplated. The Second Parties shall immediately proceed to petition for such consent and prosecute such petition with all diligence. The City shall join in such petition and lend all aid and legal services which may be required by the Second Parties to bring about an early disposition thereof, and an order of the Railroad Commission expressing its consent hereto. In the event the consent of the Railroad Commission shall not be obtained within a reasonable time or shall be denied, this agreement shall be of no force or effect. Otherwise, it shall constitute a binding obligation on the part of the City and the Second Parties.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their officers thereunto duly authorized, the day and year first above written.

THE CITY OF PASADENA

(SEAL)

ATTEST:

Bessie Chamberlain
City Clerk

By R. L. Daugherty
Chairman, Board of Directors

By R. V. Griffin
City Manager

By E. L. Wilcher
Asst.

A. B. CHAPMAN ESTATE

(SEAL)

By Richard B. Stephens
President

Checked: O. M. Sepp 4 13/31

By Arthur Penoroff
Secretary

Approved

S. B. Morris
Chief Eng'r, Water Dept.

Richard Book Chapman
As Trustee

APPROVED AS TO FORM
This 21 day of April 1931

Harold P. Hale
City Attorney.

James H. Howard
Approved: City Manager

**Huntington Municipal
Water District**
Municipal Service Review

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Appendix B – Agency Correspondence

Appendix B – Agency Correspondence



May 16, 2012

Phyllis E. Currie, General Manager
City of Pasadena, Department of Water & Power
150 South Los Robles Ave., Suite 200
Pasadena, CA 91101

Dear Ms. Currie:

Our meeting with you on May 16, 2012 is for the purpose of reviewing the last Mandatory Service Review (MSR) of the Huntington Municipal Water District, dated December 1, 2004. State law requires an updated MSR every five years, and the Los Angeles Local Agency Formation Commission has retained Hogle-Ireland to prepare an updated MSR for the Huntington Municipal Water District.

Some of the agencies we will be meeting with concerning the Huntington Municipal Water District include your City, the City of Arcadia, and the East Pasadena Water Company.

What we hope our meeting with you will produce is a frank discussion on what may have happened or transpired concerning your City and the Huntington Municipal Water District since its last MSR that may affect your City, which should be considered in an updated MSR.

In case you do not have a copy of the last MSR, we can provide you with a digital copy upon your request.

If you should have any questions prior to the meeting, please call me at our Irvine Office at 949-553-1427.

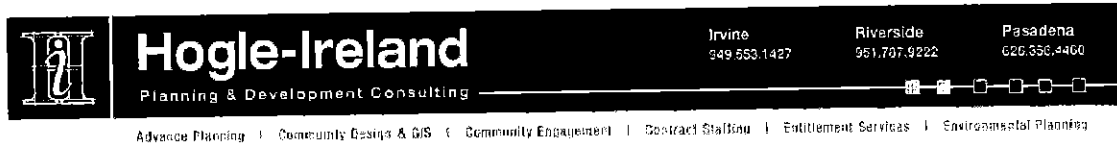
Sincerely,

Keith Carwana, Project Manager
Hogle-Ireland, Inc.

**Huntington Municipal
Water District**
Municipal Service Review

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Appendix B – Agency Correspondence



May 22, 2012

Thomas W. Tait, Public Works Services Director
City of Arcadia
240 West Huntington Drive
P.O. Box 60021
Arcadia, CA 90021

Dear Mr. Tait:

As you may be aware as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 LA LAFCO is mandated to conduct Municipal Service Review (MSR) every five years. LA LAFCO has retained Hogle-Ireland, Inc. in conjunction with the Mocalis Group I, LLC to prepare a MSR for the Huntington Water District. The LAFCO Commission must make determinations on six (6) topics required under the CKH Act for purposes of adopting the MSR:

1. Growth and population projections in the affected area
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by Commission.

To assist us with the completion of the MSR and to better understand issues related to the provision of service in the area we are asking for you to provide, to the best of your ability, responses to the questions listed on the following page.

Thank you for your assistance,

Keith Carwana
Project Manager
Hogle Ireland, Inc.

Jim Mocalis
President
Mocalis Group I, LLC

www.hogleireland.com

2860 Michelle Drive, Suite 100 | Irvine, CA 92606
t: 949.553.1427 | f: 949.553.0935

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- ① How much population growth is anticipated within the agency service area and sphere of influence over the next 5, 10, 15 years?

For THE City of Arcadia;

2010: 54,504

2015: 55,526

2020: 56,508

2025: 57,510

Arcadia is not expected
to be within the sphere
of influence of the
Huntington MUD.

- ② How much is municipal service demand anticipated to increase within the agency's sphere of influence over the next 5, 10, 15 years?

NA

3. What is the current adequacy of service provided within the agency boundaries?

NA

4. To what extent are the service providers able to meet anticipated growth in demand?

NA

5. What are the present and planned land uses within the existing sphere of influence?

NA

6. What contiguous unincorporated areas could potentially be included in the agency's sphere of influence?

Not known

Appendix B - Agency Correspondence

7. Which service provider(s) is (are) best equipped to serve the unincorporated areas contiguous to the agency boundaries?

NA

8. What is the current capacity of public facilities and adequacy of public services that the local agencies are providing?

THE CITY OF ARCADIA PROVIDES NO FACILITIES OR SERVICES TO HUNTINGTON HILLS

9. What opportunities exist for service providers in and near the agency boundaries to share public facilities to more effectively and efficiently deliver services?

NOT KNOWN

10. Do the service providers of interest have adequate public facilities and other infrastructure to accommodate anticipated growth in service demand in the area?

ARCADIA IS ABLE TO MEET ALL PROJECTED GROWTH AND DEMANDS.

11. What cost avoidance opportunities, financing constraints and financing opportunities exist in providing water service to the area of interest?

THE CITY OF ARCADIA HAS NO EXISTING INFRASTRUCTURE NEAR OR TO THE HUNTINGTON HILLS SERVICE AREA.

Huntington MSR

12. How do cost avoidance opportunities, financing constraints and financing opportunities affect the optimal service delivery to areas contiguous to the agency?

NA

13. What opportunities for rate restructuring exist?

NA

14. What government structure options exist relevant to the provision of water service in the areas of agencies, and what are the advantages and disadvantages of consolidating or reorganizing service providers?

NA

15. To what extent are service providers in the area of interest accountable to the population being served?

None

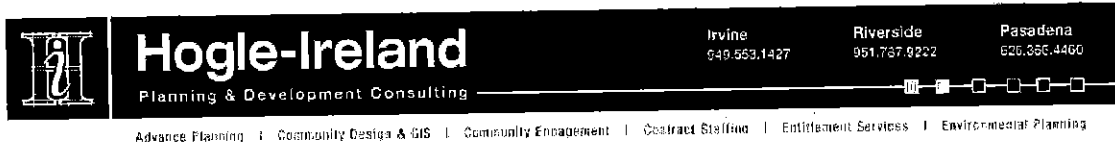
16. What governance structures currently exist among the service providers of interest?

None

17. What is the consultant's evaluation of current and potential management efficiencies as they relate to optimal service provision and optimal spheres of influence?

NA

Appendix B – Agency Correspondence



May 16, 2012

Phyllis Currie, General Manager
Pasadena Water & Power
150 South Los Robles Ave., Suite 200
Pasadena, CA 91107

Dear Ms. Currie:

As you may be aware as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 LA LAFCO is mandated to conduct Municipal Service Review (MSR) every five years. This year the Huntington Water District is being reviewed and LAFCO has retained Hogle-Ireland, Inc. in conjunction with the Mocalis Group I, LLC to prepare the MSR. The LAFCO Commission must make determinations on six (6) topics required under the CKH Act for purposes of adopting the MSR:

1. Growth and population projections in the affected area
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by Commission.

We have identified the Pasadena Water & Power as an agency that provides water service to the area identified to be within the Huntington Water District service area. To assist us with the completion of the Huntington Water District MSR and to better understand issues related to the provision of service in the area we are asking for your assistance in providing responses to the questions provided on the following page.

Thank you for your assistance,

Robert Kain
Project Manager
Hogle Ireland, Inc.

Jim Mocalis
President
Mocalis Group I, LLC

www.hogleireland.com

2860 Michelle Drive, Suite 100 | Irvine, CA 92606
T: 949.553.1427 | F: 949.553.0935

Huntington MSR

Huntington MSR

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

MUNICIPAL SERVICE REVIEW – WATER SERVICE Supplemental Request for Information

GENERAL INFORMATION

Agency HUNTINGTON MUNICIPAL WATER DIST Contact Person HAROLD H. HEINACY
Address 3531 SAN PASQUALE ST. City PASADENA Zip Code 91107
Telephone 626-792-1882 Fax NO FAX Agency Website NO WEBSITE
Email Address of Contact Person NO EMAIL

Please provide a map showing the agency's boundaries, all areas served, pressure zones, water mains, and storage facilities. Show any private or mutual water companies within your sphere of influence (SOI) if their boundaries are known.

1. Is your agency a water wholesaler?



No



Yes, our agency replenishes groundwater basins with pumping rights held by cities, mutual water companies, private companies, and/or investor-owned utilities.



Yes, our agency sells imported water to cities, mutual water companies, private companies, and/or investor-owned utilities.

Please name other agencies you provide water to. NONE

2. What is the source of your wholesale water? N/A

Appendix B – Agency Correspondence

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

3. How many acre-feet of water are provided to each agency? N/A

4. Please describe the range of services the agency provides and to whom services are provided. NONE

5. Does your agency deliver, supply, treat, or replenish water at the wholesale level? ☐ Yes ☒ No

6. If the agency provides services to municipalities, mutual water companies, and private companies, please list then and briefly describe those services. N/A

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

7. Does the agency's water service extend beyond the City's boundaries or District service boundaries?

☐ Yes ☒ No

If yes, please explain why?

8. Is the City or District obligated by law or by contract to provide service beyond its boundaries, or to another agency? Please explain. No

Please answer questions 9 and 10 only if you provide service to another agency by contract.

9. Does the City/District contract agency jointly plan for future demand? N/A

10. Which agency is responsible for upgrade and maintenance of infrastructure? N/A

Appendix B – Agency Correspondence

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

11. Are there any area land use plans and growth patterns that may be affecting service demand? No
12. Indicate whether there are geographic areas in other jurisdictions which you are frequently called upon for water supply assistance. Describe these areas and why your agency may be better suited to provide service. N/A
13. List any water retailers that provide service to customers within your agency's boundaries and describe why they are providing service CITY OF PASADENA - CONTRACT
14. How is water allocation to a particular agency determined? USAGE?

Huntington MSR

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

15. Does your agency receive service from another agency or have a reciprocal/joint service agreement with another agency? Explain. YES

CITY OF PASADENA WATER DEPT. CONTRACT

16. List service-related joint powers authority or joint decision-making efforts in which the agency participates, and any savings derived through these partnerships. NONE

17. Does your agency face revenue/operating constraints that affect the level of service and condition of infrastructure of your agency? NO

Appendix B – Agency Correspondence

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

18. Are there any financing constraints in meeting future demand needs? *No*

19. Please describe water conservation programs that are being implemented? *N/A*

RESIDENTS DETERMINE THEIR WATER NEEDS.

20. Describe current water demand and peak demand by zone or sub-area. If master plan has been provided, you may cite page number. *N/A*

Huntington MSR

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

21. Provide the total number of water service connections by type for the following areas:

<u>Within Service Boundary</u>	<u>Outside Boundary Within SOI</u>	<u>Outside of SOI</u>
Domestic & Commercial <u>470 7</u>	Domestic & Commercial	Domestic & Commercial
Agriculture	Agriculture	Agriculture
Reclaimed	Reclaimed	Reclaimed
Other	Other	Other

22. Provide the following information: SLE PASADENA DWP

Average Daily Demand (MGD)	
Maximum Daily Demand (MGD)	
Miles of Pipe	
Number of Pump Stations	
Number of Pressure Zones	
Storage Capacity	
Population Served	

AVERAGE ANNUAL DEMAND

23. Please provide the following information for forecasted service demand: UNCHANGED

<u>Existing</u>	<u>Year 2015</u>	<u>Year 2020</u>
Residential	Residential	Residential
Commercial/Industrial	Commercial/Industrial	Commercial/Industrial
Municipal	Municipal	Municipal
Other	Other	Other
Unaccounted for	Unaccounted for	Unaccounted for

Appendix B – Agency Correspondence

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

GROUND WATER

24. Please provide the percentage of groundwater derived from the following sources: *SEE PASADENA DWP*

Central Basin

Raymond Basin

Sylmar Basin

Hollywood Basin

San Fernando Basin

Verdugo Basin

Chino/Spadra/Six Basins

Santa Monica Basin

West Coast Basin

Main San Gabriel Basin

Saugus Formation & Alluvial Aquifer

25. Please provide the percentage of water imported from the following sources: *SEE PASADENA DWP*

Los Angeles Aqueduct

Metropolitan Water District

State Water Project

Other

26. Describe the process and requirements for property owners that request your agency to provide service within your boundaries. Indicate the number of new hookups by type for the most recent year.

CALL PASADENA DWP

27. Explain how connection fees are established, and which additional costs are covered through connection fees or other levies on new Do existing customers subsidize new capacity? Explain.

SEE PASADENA DWP

Huntington MSR

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

28. Is your agency planning construction of any new facilities? If so, please provide a detailed description of the project(s) and how it is being funded. * Note: If you have already provided this information in the Capital Improvement Plan (CIP), reference the CIP. *no*

29. Does your agency have water storage facilities? If yes, please indicate the net change in stored amounts for the past three years. *no*

30. How are infrastructure upgrades, replacement, and maintenance funded? Describe policies for depreciation and replacement of infrastructure. *SEE PREPARED DWP*

Appendix B – Agency Correspondence

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

31. Does the agency have franchise agreements with other water retailers that provide service within the agency's boundaries? No

32. Has your agency exceeded state and federal drinking water quality maximum contaminant levels in the last 5 years? If so, please explain. No

33. Are there any regulatory standards that apply to the services your district provides? Are they published and where can they be obtained? SEE PASADENA DWP

34. Are there industry standards that apply to the services your district provides? Are they published and where can they be obtained? SEE PASADENA DWP

LAFCO LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY

35. Does your district have level of service standards? Please explain. *SEE PASADENA DWP*

36. How does the department/district monitor and track its workload? *N/A*

37. How many employees does your agency have? Provide a list of title positions held and the number of employees in each position.

Full Time Employees

0

Part Time Employees

0

Contract Employees

0

Seasonal Employees

0

Huntington Municipal Water District

Municipal Service Review



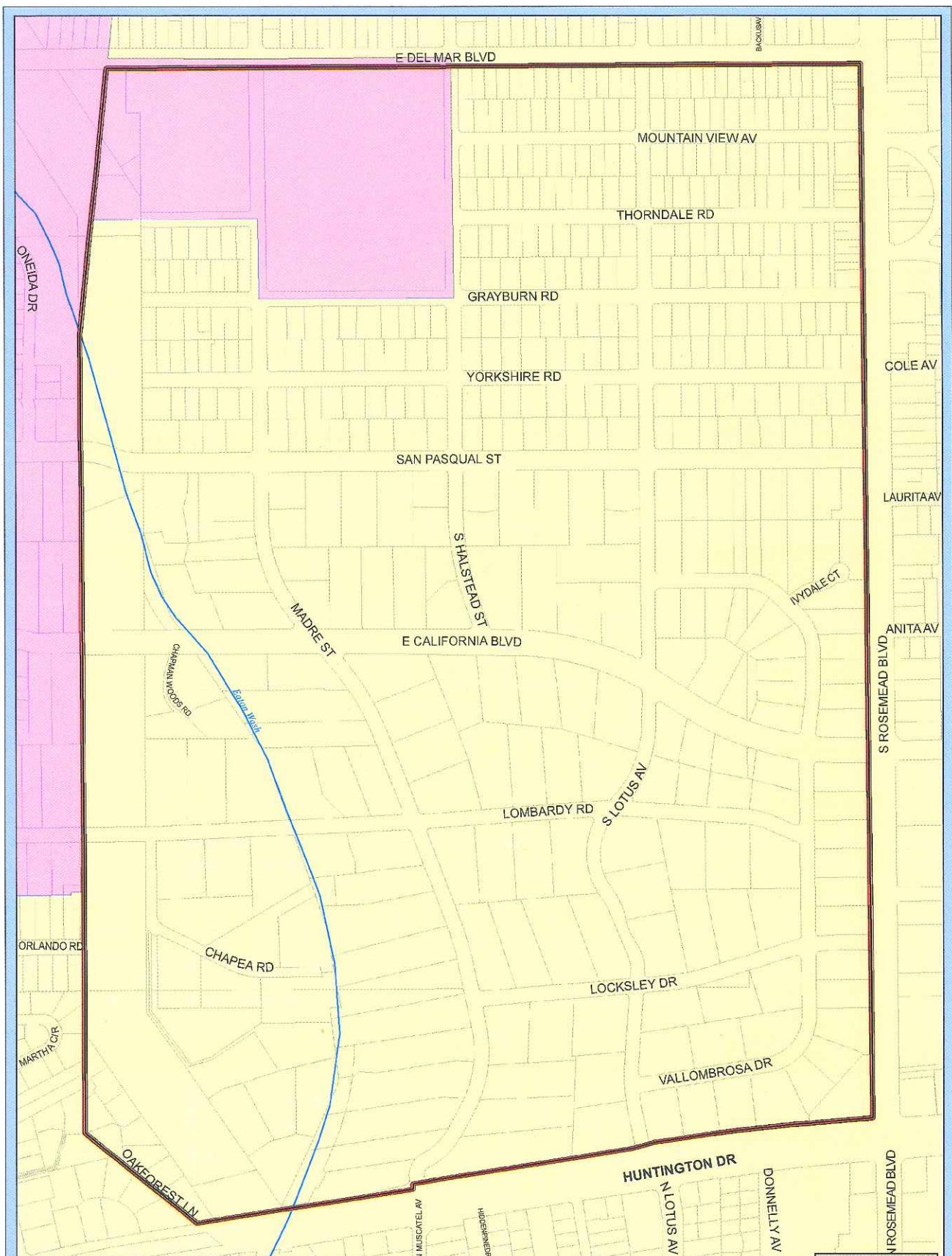
Prepared for:

LAFCO
Local Agency Formation Commission
for the County of Los Angeles


Prepared by:



Hogle-Ireland
Planning & Development Consulting



Legend

-  Huntington Municipal Water District Boundary

Sphere of Influence History	
Action	Effective Date
Established	10-26-83
Zero SOI Established	12-08-04
Zero SOI Adopted	03-13-13
Dissolved	05-13-13

1 in = 360 feet



LAFCO
 Local Agency Formation Commission
 for the County of Los Angeles
 Revised: March 13, 2013



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HUNTINGTON MUNICIPAL WATER DISTRICT

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2007,

2008, 2009, 2010, 2011

HUNTINGTON MUNICIPAL WATER DISTRICT

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Statement of Activities	6
Statement of Cash Flows	7
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Independent Auditor's Report

To The Board of Directors
Huntington Municipal Water District

We have audited the accompanying statements for Huntington Municipal Water District statement of net assets, statement of Enterprise fund net assets as of June 30, 2007, 2008, 2009, 2010, 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Huntington Municipal Water District as of June 30, 2007, 2008, 2009, 2010, 2011 and the changes in its net assets, and its cash flows for the year's then ended in conformity accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2013, on our consideration of Huntington Municipal Water District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted

primarily of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Huntington Municipal Water District's basic financial statements. The accompanying schedule of other supplementary information is presented for purpose of additional analysis and is not required part of the financial statements of Huntington Municipal Water District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Stanley G. Parkhurst CPA". The signature is written in a cursive, flowing style.

Stanley G. Parkhurst, CPA
January 15, 2013

HUNTINGTON MUNICIPAL WATER DISTRICT

MANAGEMENT'S DECISION AND ANALYSIS

FOR THE YEARS ENDED JUNE 30, 2007, 2008, 2009, 2010 and 2011

Our discussion and analysis of Huntington Municipal Water District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the years ended June 30, 2007, 2008, 2009, 2010 and 2011.

FINANCIAL HIGHLIGHTS

The Financial statements included in this report provided insight into the financial status for the year. The District's assets exceed its liabilities by \$256,522 at June 30, 2011.

The following is the annual effects of the District's activities:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenue	\$ 10,346	\$ 9,505	\$ 10,403	\$ 9,741	\$ 9,354
Expenses	\$ 2,111	\$ 2,176	\$ 2,068	\$ 7,003	\$ 1,997
Operation Income	\$ 8,235	\$ 7,329	\$ 8,335	\$ 2,738	\$ 7,357

Resources available for appropriation, which includes the prior year's ending cash balance plus the current change in net assets is \$ 256,522

Using this Annual Report – Overview of the Financial Statements

This report consists of two combined financial statements; the Statement of Net Assets, Statement of Enterprise Fund Net Assets, and the Statement of Activities, Statement of Revenue, Expenditures and Changes in Fund Balance. (Pages 6 and 7). These statements provide information about the financial activities of the District as a whole and a view of the District's finances.

Government – wide Financial Statements and Fund Financial Statements

The District has a single enterprise fund that is its operating fund. The government-wide financial statements and the fund financial statements have been combined because the District is only reporting on the enterprise fund. There are no differences in the reporting between government wide and the enterprise fund. These two statements report the District's net assets and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. They include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting methods used in the private sector. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

The Districts Funds – Enterprise Funds

Proprietary Funds – When the District charges customers for the services it provides, these services are reported as proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of Net Assets and the Statement of Activities. In fact, the District's proprietary funds are the same as the business – type activities we reported in the government-wide statement.

The enterprise fund is the chief operating fund of the District.

At June 30, 2011, the balance of the general fund was \$256,522. This amount is comprised of \$254,595 in cash and \$1,927 in receivables.

BUDGET

The District did not adopt any budgets for the five years ended June 30, 2011.

FUND BALANCES

The District's funds are held on deposit with the Local Agency Investment Fund and one other financial institution. Interest generated by these funds is automatically deposited in the account.

The District's proprietary cash accounts showed an increase of \$60,083 for the year ended June 30, 2011. The total for these accounts at June 30, 2011 was \$254,595.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District expects no significant changes in economic factors that would affect revenue in the upcoming year.

CONTRACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the district's accountability for the money it receives.

Any questions about this report or requests for additional information may be directed to Harold Henniacy.

HUNTINGTON MUNICIPAL WATER DISTRICT
STATEMENTS OF NET ASSETS/STATEMENTS OF ENTERPRISE FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2007,
2008, 2009, 2010 and 2011

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS					
Cash and Cash Equivalents	\$ 254,595	\$ 245,072	\$ 235,719	\$ 222,330	\$ 124,765
Tax Receivable	1,659	1,788	1,787	1,731	1,453
Investments	268	312	838	1,058	88,062
Total Assets	<u><u>\$ 256,522</u></u>	<u><u>\$ 247,171</u></u>	<u><u>\$ 238,344</u></u>	<u><u>\$ 225,119</u></u>	<u><u>\$ 214,280</u></u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets					
Unrestricted Net Assets	\$ 256,522	\$ 247,171	\$ 238,344	\$ 225,119	\$ 214,280
Total Liabilities and Net Assets	<u><u>\$ 256,522</u></u>	<u><u>\$ 247,171</u></u>	<u><u>\$ 238,344</u></u>	<u><u>\$ 225,119</u></u>	<u><u>\$ 214,280</u></u>

The accompanying notes are an integral part of these financial statements.

HUNTINGTON MUNICIPAL WATER DISTRICT

STATEMENTS OF ACTIVITIES/

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

PROPRIETARY FUND

FOR THE YEARS ENDED JUNE 30, 2007,

2008, 2009, 2010 AND 2011

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
OPERATING REVENUES					
Fees	\$ 10,346	\$ 9,506	\$ 10,459	\$ 10,019	\$ 9,354
Total Revenues	<u>10,346</u>	<u>9,506</u>	<u>10,459</u>	<u>10,019</u>	<u>9,354</u>
OPERATING EXPENSES					
Audit Fees	-	-	-	5,000	-
Insurance	1,833	1,971	1,971	1,971	1,994
Fees and Other	278	205	98	32	4
Total Operating Expenses	<u>2,111</u>	<u>2,176</u>	<u>2,069</u>	<u>7,003</u>	<u>1,998</u>
Operating Income	<u>8,235</u>	<u>7,330</u>	<u>8,390</u>	<u>3,016</u>	<u>7,356</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest	<u>1,116</u>	<u>1,497</u>	<u>4,835</u>	<u>7,823</u>	<u>8,530</u>
Total Non-operating	<u>1,116</u>	<u>1,497</u>	<u>4,835</u>	<u>7,823</u>	<u>8,530</u>
Change In Net Assets	9,351	8,827	13,225	10,839	15,886
Total Net Assets at July 1	<u>247,171</u>	<u>238,344</u>	<u>225,119</u>	<u>214,280</u>	<u>198,394</u>
Net Assets at June 30	<u>\$ 256,522</u>	<u>\$ 247,171</u>	<u>\$ 238,344</u>	<u>\$ 225,119</u>	<u>\$ 214,280</u>

The accompanying notes are an integral part of these financial statements.

HUNTINGTON MUNICIPAL WATER DISTRICT
STATEMENTS OF CASH FLOWS – PROPRIETARY FUND

FOR THE YEARS ENDED JUNE 30, 2007,

2008, 2009, 2010 AND 2011

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 10,346	\$ 9,505	\$ 10,403	\$ 9,741	\$ 9,354
Interest income	1,288	2,024	5,155	8,066	8,426
Payment for supplies and services	(2,111)	(2,176)	(2,069)	(7,003)	(1,998)
Net cash provided from operating activities	<u>9,523</u>	<u>9,353</u>	<u>13,489</u>	<u>10,804</u>	<u>15,782</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	-	-	-	86,661	-
Purchase of investments	-	-	-	-	-3,012
Net cash provided (used) from investing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>86,661</u>	<u>-</u>
Net increase (decrease) in cash	9,523	9,353	13,489	97,465	12,770
Beginning Cash	<u>245,072</u>	<u>235,719</u>	<u>222,230</u>	<u>124,765</u>	<u>111,995</u>
Ending Cash	<u>254,595</u>	<u>245,072</u>	<u>235,719</u>	<u>222,230</u>	<u>124,765</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	9,351	8,826	13,169	10,561	15,887
Adjustments to reconcile operating activities (Increase) Decrease in operating activities					
Taxes receivable/other	<u>172</u>	<u>527</u>	<u>320</u>	<u>243</u>	<u>(105)</u>
Net cash provided by operating activities	<u>9,523</u>	<u>9,353</u>	<u>13,489</u>	<u>10,804</u>	<u>15,782</u>

The accompanying notes are an integral part of these financial statements.

HUNTINGTON MUNICIPAL WATER DISTRICT

NOTE TO FINANCIAL STATEMENTS

FOR THE FIVE YEARS ENDING JUNE 30, 2011

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Operations – Huntington Municipal Water District “District” is a special district formed on January 26, 1960. For the purpose of projecting the future water needs of its residents in accordance with the Municipal Water District Act of 1911 (Act 5243, unmodified, of the water code). The District boundaries are within the Chapman Woods Area of unincorporated Los Angeles County territory, adjacent to the cities of Pasadena and San Marino. District is administered by a five-member Board of Directors.

Method of Accounting – The financial statements of the District have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables and other liabilities.

Basis of Presentation – The financial presentation follows the recommendation of the *Government Accounting Standards (GASB) No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. The District has a single enterprise fund that is its operating fund. The government-wide financial statements and the fund financial statements have been combined because the District is only reporting on the enterprise fund. As such, the financial statements are presented in the basis of unrestricted, temporarily restricted, and permanently restricted net assets. The district has also adopted the use of all FASB pronouncements issued after November 20, 1989.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash equivalents – For financial statement purposes, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents for cash flow purposes. Substantially all cash in banks is federally insured at June 30, 2011.

Net assets – The Organization has unrestricted net assets. There are no permanently or temporarily restricted net assets at June 30, 2011.

Expense Allocation – The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs benefitted.

Operating and non operating income – The District considers all income received from tax assessment to be operating income and interest from investments as non-operating.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Huntington Municipal Water District

We have audited the financial statements of business - type activities and enterprise fund of the Huntington Municipal Water district as of and for the year ended June 30, 2007, 2008, 2009, 2010 and 2011 which collectively comprise the District's Basic financial statements and have issued our report thereon dated January 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards contained in *Governmental Auditing Standard*, issued by Controller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant. We did not identify any deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the Schedule of Findings and Responses to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies in the internal control and, accordingly, would not necessarily disclose all significant deficiencies that are also considered a weakness. We did not find any deficiencies that we considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the county auditor – controller and should not be used by anyone other than these specified parties.

Stanley G. Parkhurst, CPA
January 15, 2013

HUNTINGTON MUNICIPAL WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2011

Finding 06-01: Reliance upon Auditor for Reporting and Footnote Disclosures.

Condition: Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare for approval and record adjusting entries to covert the Huntington Municipal Water District's financial statements from the cash basis of accounting to the accrual basis of accounting and for reporting under Government Accounting Standards Board Statement No. 34 (GASB-34).

Criteria: Statement of Auditing Standards No. 112, states that the auditor may not be part of the Huntington Municipal Water District's internal control system. Someone from the Huntington Municipal Water District must be knowledgeable in generally accepted accounting principles and cable of preparing financial statements in conformity with generally accepted accounting principles.

Cause: The District does not have either an employee educated in generally accepted accounting principles or an accounting firm engaged to prepare financial statements in conformity with generally accepted accounting principles.

Effect: Unknown

Recommendation: We recommend that Management consider the cost benefit of hiring an accountant familiar with generally accepted accounting principles or hiring an independent CPA firm to compile financial statements in conformity with generally accepted accounting principles.

Response: Management has determined there is no cost-benefit to hiring an accountant to prepare financial statements in conformity with generally accepted accounting principles prior to annual audit of the financial statements.

Staff Report

March 13, 2013

Agenda Item No. 8.a.

Fiscal Year 2011-12 - Audited Financial Statements

On June 13, 2012 your Commission awarded a contract to the firm of White, Nelson, Dielh, Evans, and LLP to audit the books of the Commission for the next four fiscal years. The audited financial statement before you today is for the fiscal year ending June 30, 2012.

Change of Auditing Firms

When the Commission considered the 2010-2011 audit, and in the interest of insuring transparency regarding financial matters, the Commission directed staff to change auditors at least every six years. Based upon that direction, when LAFCO issued an RFP in early 2012, the RFP was not sent to the previous accounting firm that had prepared LAFCO's audits for the five previous fiscal years.

Purpose of the Audit

The purpose of an audit is to provide verification of the financial statement and provide reasonable assurances that the financial statements present fairly, in all material respects, the financial position of the Commission. Another objective of an audit is to evaluate internal controls over financial reporting and disclose any areas of deficiency that might be considered a significant deficiency or material weakness.

Internal Controls Over Financial Reporting

Internal controls are specific policies and procedures implemented to prevent or detect and correct misstatements that, if not prevented or corrected, would cause the financial statements to not be fairly presented. A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct misstatements in a timely manner. A deficiency may be defined as a material weakness or a significant deficiency.

Audit Findings

The audit opinion affirmed that the financial statements present fairly, in all material respects, the financial position of the Commission as of June 30, 2012, and the results of its operations and cash flows for the fiscal year then ended.

The Schedule of Findings, a supplementary component of the audit did disclose a significant deficiency and material weakness as it relates to the absence of a formalized process for performing the financial close procedures; asset capitalization; and journal entry approval. The audit also highlighted the need to have the books of the Commission reviewed, periodically, by an individual knowledgeable of generally accepted accounting principles and Governmental Accounting Standards.

The deficiencies disclosed in the enclosed Schedule of Findings are identified as follows:

- FS 12-01: Develop a year-end closing procedure (*material weakness*)
- FS 12-02: Develop asset capitalization policy (*significant*)
- FS 12-03: Journal entry approval process (*significant*)
- FS 12-04: Financial statement preparation (*significant*)

Corrective Actions on the Reported Findings

As a result of recommendations in the prior audit, a bookkeeper was hired to reorganize the QuickBooks accounts, process the payables/receivables and perform monthly reconciliation of the general ledger accounts. Protocols were established to ensure that there is an appropriate segregation of accounting responsibilities. Staff is now working with a Certified Public Account to develop and implement formalized policies and procedures to correct the deficiencies disclosed in the current audit.

Compliance

The results of the audit tests disclosed no instances of noncompliance that are to be reported under Government Auditing Standards.

Recommended Action

1. Receive and file the Fiscal Year 2011-12 Audited Financial Statements, prepared by White, Nelson, Dielh, and Evans LLP.
2. Direct staff to report back with formalized policies and procedures to effectuate the recommendations of the audit.

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

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To the Commission Members
Local Agency Formation Commission for
the County of Los Angeles
Pasadena, California

We have audited the financial statements of the Local Agency Formation Commission for the County of Los Angeles (the Commission) for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting with you on July 10, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- a. Management's estimate of the fair market value of investments which is based on market values provided by outside sources.
- b. The estimated useful lives of capital assets for depreciation purposes which are based on industry standards.
- c. The annual required contribution for the Commission's Other Post-Employment Benefits was prepared by an outside consultant.
- d. The annual required contribution for the Pension Plan was prepared by an outside consultant

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were reported in Note 8 to the financial statements regarding the annual required contribution and the actuarial liability for the Commission's Other Post-Employment Benefits and in Note 10 regarding the prior period adjustment to record accrued compensated absences.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management. However, in performing and completing our audit there were numerous adjustments necessary for the financial statements to be in compliance with generally accepted accounting principles, as disclosed in our control deficiency FS 12-01 in the schedule of findings accompanying the audit opinion. Management's response to this deficiency is that they have hired a part-time CPA who will work with staff to develop and implement year-end closing procedures.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached "adjusting journal entries report" summarizes misstatements of the financial statements that have been corrected by management. The attached "passed adjusting journal entries report" summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Commission Members and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

White Nelson Dick Evans LLP
Irvine, California

Client: LOS006 - LAFCO - Los Angeles County
Engagement: 2012 AUD - Los Angeles Local Agency Formation Commission
Period Ending: 6/30/2012
Trial Balance: 3100.01 - Trial Balance
Workpaper: 3220.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 100				
To record PTO liability at 6/30/12 & 6/30/11.		5200.03		
30002	Retained Earnings		42,764.00	
50016	Benefits Cash-in		12,917.00	
20050	PTO Liability			55,681.00
Total			<u>55,681.00</u>	<u>55,681.00</u>
Adjusting Journal Entries JE # 101				
To reclassify Repairs & Maintenance Expenses as capitalized fixed assets		4300.03		
10024	Tenant Improvements		11,328.00	
10028	Furniture and Fixtures		12,145.00	
50026	Communications			6,373.00
50132	Office Relocation			12,145.00
50133	Tenant Improvements			2,440.00
50135	Equipment Installation			2,515.00
Total			<u>23,473.00</u>	<u>23,473.00</u>
Adjusting Journal Entries JE # 102				
To record Depreciation Expense for the year.		4300.03		
50127	Depreciation Expense		11,223.00	
10026	Accumulated Depreciation			11,223.00
Total			<u>11,223.00</u>	<u>11,223.00</u>
Adjusting Journal Entries JE # 103				
To record the loss on disposal of a fixed asset		4300.03		
10026	Accumulated Depreciation		26,284.00	
50160	Gain/Loss On Disposal		12,181.00	
10028	Furniture and Fixtures			38,465.00
Total			<u>38,465.00</u>	<u>38,465.00</u>
Adjusting Journal Entries JE # 104				
To reclassify prepaid rent at 6/30/12		1150.01		
10062	Prepaid Expenses		6,309.00	
50025	Rent			6,309.00
Total			<u>6,309.00</u>	<u>6,309.00</u>
Adjusting Journal Entries JE # 105				
To record current year annual required contribution for the OPEB plan		5200.04		
50015	Retirement		72,671.00	
20020	OPEB Liability			72,671.00
Total			<u>72,671.00</u>	<u>72,671.00</u>
Adjusting Journal Entries JE # 106				
To record deferred rent obligation at 6/30/12		1150.01		
50025	Rent		16,405.00	
20060	Deferred Rent			16,405.00
Total			<u>16,405.00</u>	<u>16,405.00</u>

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Client: LOS006 - LAFCO - Los Angeles County
Engagement: 2012 AUD - Los Angeles Local Agency Formation Commission
Period Ending: 6/30/2012
Trial Balance: 3100.01 - Trial Balance
Workpaper: 3210.01 - Passed Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Passed Adjusting Journal Entries JE # 300				
To record prepaid expense for geographical mapping service fees.		4300.03		
10062	Prepaid Expenses		1,775.00	
50029	Equip Maint and Supplies			1,775.00
Total			<u>1,775.00</u>	<u>1,775.00</u>
Passed Adjusting Journal Entries JE # 301				
To record unrecorded invoice at 6/30/12		5100.04		
20021	Advances		11,732.00	
20001	A Accounts Payable			11,732.00
Total			<u>11,732.00</u>	<u>11,732.00</u>
Passed Adjusting Journal Entries JE # 302				
To record prepaid expenses at 6/30/12		5100.03		
10062	Prepaid Expenses		7,749.00	
20001	A Accounts Payable			7,749.00
Total			<u>7,749.00</u>	<u>7,749.00</u>
Passed Adjusting Journal Entries JE # 303				
To record the market value adjustment for investments held in the LA County Treasury Pool at 6/30/12		4100.08		
10002	Investment Pool Account		976.00	
10004	Reserve Account		2,314.00	
40007	Interest Inc			3,290.00
Total			<u>3,290.00</u>	<u>3,290.00</u>

Effect on FS	Debit	Credit	Net
Assets	12,814.00	0.00	12,814.00
Liabilities	11,732.00	19,481.00	(7,749.00)
Net Assets	0.00	0.00	0.00
Revenues	0.00	3,290.00	(3,290.00)
Expenditures	0.00	1,775.00	(1,775.00)

NOTE: PAJEs are immaterial individually and in the aggregate, pass on adjusting

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

BASIC FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2012 AND 2011

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

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WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

The Commission Members
Local Agency Formation Commission
for the County of Los Angeles
Pasadena, California

We have audited the accompanying statement of net assets of the Local Agency Formation Commission for the County of Los Angeles (the Commission) as of June 30, 2012, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from the financial statements of the Local Agency Formation Commission for the County of Los Angeles for the year ended June 30, 2011, which were audited by other auditors, whose report dated February 14, 2012 expressed an unqualified opinion on the basic financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Local Agency Formation Commission for the County of Los Angeles as of June 30, 2012 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2013 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, identified as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the schedule of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the schedule of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

White Nelson Dickenson LLP

Irvine, California
January 29, 2013

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION**

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2012

The following discussion and analysis of the financial performance of the Los Angeles County Local Agency Formation Commission (the Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The statement of Net Assets and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of two parts – *management's discussion and analysis* (this section), and the *basic financial statements*.

The *government-wide financial statements* provide both *long-term* and *short-term* information about the Commission's overall financial status. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

Reporting the Commission as a Whole

The accompanying **government-wide financial statement** presents financial data for the Commission as a whole. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net assets and change in them. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases and decreases* in the Commission's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the Commission's revenues, to assess the *overall health* of the Commission. Indeed, a reduction in net assets is assumed in the budget process. The prior year end fund balance is relied on as a funding source for the current year budget.

See independent auditors' report.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Net Assets* follows:

Table 1

Net Assets – Governmental Activities

June 30, 2012 and 2011

	2012	2011	Change
Assets:			
Current Assets	\$ 1,186,571	\$ 1,207,216	\$ (20,645)
Non-Current Assets	28,201	28,132	69
Security Deposits	8,232	0	8,232
Total Assets	<u>\$ 1,223,004</u>	<u>\$ 1,235,348</u>	<u>\$ (12,344)</u>
Liabilities:			
Current Liabilities	\$ 87,238	\$ 88,582	\$ (1,344)
Long-term Liabilities	248,024	155,070	92,954
Total Liabilities	<u>\$ 335,262</u>	<u>\$ 243,652</u>	<u>\$ 91,610</u>
Net Assets:			
Invested in Capital Assets	\$ 28,201	\$ 28,132	\$ 69
Unrestricted	859,541	963,564	(104,023)
Net Assets	<u>\$ 887,742</u>	<u>\$ 991,696</u>	<u>\$ (103,954)</u>

See independent auditors' report.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Activities* follows:

Table 2
Changes in Net Assets – Governmental Activities
Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Intergovernmental	\$ 850,666	\$ 664,145	\$ 186,521
Charges for Services	243,700	334,343	(90,643)
General Revenues:			
Interest	12,873	17,544	(4,671)
Other	200	3	197
Total Revenues	<u>\$ 1,107,439</u>	<u>\$ 1,016,035</u>	<u>\$ 91,404</u>
Expenses			
Program Expenses:			
Salaries and Benefits	\$ 836,335	\$ 725,634	\$ 110,701
Services and Supplies	375,058	474,966	(99,908)
Total Expenses	<u>\$ 1,211,393</u>	<u>\$ 1,200,600</u>	<u>\$ 10,793</u>
Change in Net Assets	\$ (103,954)	\$ (184,565)	\$ 80,611
Net Assets, Beginning of Year	<u>991,696</u>	<u>1,176,261</u>	<u>(184,565)</u>
Net Assets, End of Year	<u>\$ 887,742</u>	<u>\$ 991,696</u>	<u>\$ (103,954)</u>

The increase or decrease in net assets can provide an indication as to whether the overall financial position of the Commission improved or deteriorated during the year. Net assets of the Commission decreased by \$103,954.

See independent auditors' report.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2012

The reasons for significant changes in the revenues and expenses of the Commissions' governmental activities presented on the previous page are as follows:

- The significant increase in Program Revenues: Intergovernmental can be attributed to Staff's efforts to establish a consistent baseline level of assessments. Future increases will be moderate and based on the CPI for the Riverside-Orange-Los Angeles area.
- The Services and Supplies reflect a surplus due a reduction in use of specialized consultant services.

MAJOR FUNDS

Major Governmental Funds. The **General Fund** is the only fund of the Commission. At the end of the current fiscal year, the fund balance of the *General Fund* was \$887,742 compared to \$991,696 in the fiscal year ended June 30, 2011.

GENERAL FUND BUDGET

Major deviations between the budget of the *General Fund* and its actual operating results were as follows:

- Salaries and benefits reflect a fully staffed office in the current fiscal year.
- An increase in the number of benefit hours converted to pay.
- A \$72,671 adjustment to the Retirement account to reconcile the annual accrued liability relating to Other Post Employment Benefits

See independent auditors' report.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2012

CAPITAL ASSETS

Capital Assets – Governmental Activities
(net of depreciation)

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Office Equipment	\$ 1,252	\$ 2,125	\$ (873)
Furniture and Fixtures	16,447	26,007	(9,560)
Auto Equipment	-	-	-
Tenant Improvements	<u>10,502</u>	<u>-</u>	<u>10,502</u>
Total	<u>\$ 28,201</u>	<u>\$ 28,132</u>	<u>\$ 69</u>

At the end of fiscal year 2012, the Commission's investment in capital assets amounted to \$28,201 (net of accumulated depreciation). This investment in capital assets includes equipment and one vehicle (fully depreciated). (See Note 4 for further information)

LONG-TERM LIABILITIES

Long-term Liabilities
Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Compensated Absences	<u>\$ 30,215</u>	<u>\$ 21,129</u>	<u>\$ 9,086</u>

Long-term liabilities, such as *Compensated Absences* are not due and payable in the current period. Additional information on long-term liabilities may be found in Note 6 of the Notes to Financial Statements.

CONDITIONS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any conditions, which could have a significant impact on the Cooperative's current financial position, net assets or operating results in terms of past, present and future.

See independent auditors' report.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2012

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer, Paul Novak at 80 South Lake Avenue, Suite 870, Pasadena, CA 91101.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENTS OF NET ASSETS

June 30, 2012 and 2011

	2012	2011
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,180,262	\$ 1,204,701
Accounts receivable	-	721
Prepaid expenses	6,309	1,794
TOTAL CURRENT ASSETS	1,186,571	1,207,216
NONCURRENT ASSETS:		
Capital assets, net of accumulated depreciation	28,201	28,132
Security deposits	8,232	-
TOTAL NONCURRENT ASSETS	36,433	28,132
TOTAL ASSETS	1,223,004	1,235,348
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	30,935	28,966
Advances from government agencies	30,837	37,981
Compensated absences due within one year	25,466	21,635
TOTAL CURRENT LIABILITIES	87,238	88,582
LONG-TERM LIABILITIES:		
Compensated absences	30,215	21,129
Deferred rent obligation	16,405	-
OPEB obligation	201,404	133,941
TOTAL LONG-TERM DEBT	248,024	155,070
TOTAL LIABILITIES	335,262	243,652
NET ASSETS:		
Invested in capital assets	28,201	28,132
Unrestricted	859,541	963,564
TOTAL NET ASSETS	\$ 887,742	\$ 991,696

See independent auditors' report and notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

For the years ended June 30, 2012 and 2011

	2012	2011
REVENUES:		
Contributions received	\$ 850,666	\$ 664,145
Fees and other charges	243,700	334,343
Interest	12,873	17,544
Miscellaneous	200	3
	<u>1,107,439</u>	<u>1,016,035</u>
TOTAL REVENUES		
EXPENSES:		
Salaries and employee benefits	836,335	725,634
Office expense	265,868	257,028
Professional fees	81,296	194,949
Depreciation	11,223	17,271
Miscellaneous	4,490	5,718
	<u>1,199,212</u>	<u>1,200,600</u>
TOTAL EXPENSES		
OPERATING LOSS	(91,773)	(184,565)
Non operating expense:		
Loss in disposal of fixed asset	(12,181)	-
	<u>(103,954)</u>	<u>(184,565)</u>
CHANGES IN NET ASSETS		
TOTAL NET ASSETS, BEGINNING OF YEAR, RESTATED	991,696	1,176,261
	<u>991,696</u>	<u>1,176,261</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 887,742</u>	<u>\$ 991,696</u>

See independent auditors' report and notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions, fees and other revenues received	\$ 1,101,016	\$ 919,305
Cash paid to suppliers for goods and services	(346,027)	(455,364)
Cash paid to employees for services	(755,955)	(645,808)
NET CASH USED BY OPERATING ACTIVITIES	(966)	(181,867)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(23,473)	(2,618)
NET CASH USED BY INVESTING ACTIVITIES	(23,473)	(2,618)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,439)	(184,485)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,204,701	1,389,186
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,180,262	\$ 1,204,701
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:		
Changes in operating loss	\$ (91,773)	\$ (184,565)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	11,223	17,271
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	721	(1)
(Increase) decrease in prepaid expenses	(4,515)	(1,794)
(Increase) decrease in security deposits	(8,232)	-
Increase (decrease) in accounts payable	1,969	4,127
Increase (decrease) in advances from government agencies	(7,144)	(96,729)
Increase (decrease) in compensated absences	12,917	12,644
Increase (decrease) in deferred rent obligation	16,405	-
Increase (decrease) in OPEB obligation	67,463	67,180
NET CASH USED BY OPERATING ACTIVITIES	\$ (966)	\$ (181,867)

See independent auditors' report and notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

1. DESCRIPTION OF THE ENTITY:

The Local Agency Formation Commission for the County of Los Angeles (the Commission) was established by state law, "*The Knox-Nisbet Act of 1963*", to discourage urban sprawl and encourage the orderly formation and development of local government agencies. The Commission is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporation of cities, formation of special districts as well as consolidations, mergers, and dissolutions of districts, among others.

The Commission is governed by Commissioners composed of nine regular members: two members from the County Board of Supervisors, two city representatives, one City of Los Angeles representative, two special district representatives and two public members, one of which represents the San Fernando Valley Statistical area. Since implementation of the *Cortese-Knox-Hertzberg Local Government Reorganization Act* in 2001, the Commission has operated as a legally separate and independent entity from the County government. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name.

The accompanying financial statements reflect the financial activities of the Commission. The Commission has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Commission's significant accounting policies follows:

a. Basic Financial Statements:

The Commission's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Basis of Accounting and Measurement Focus:

The Commission is considered a proprietary fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred.

c. Revenue Recognition:

The Commission's major source of revenue is the contributions received from the County of Los Angeles, its 88 cities and 54 special districts pursuant to an apportionment formula set forth in *Government Code Section 56381*, as applied to its annual operating budget. The contributions are recognized as revenue when the apportionment formula is received from the County of Los Angeles.

Fees and other charges relating to municipal service reviews are recognized when money is spent for specific projects. All other fees and other charges are recognized when received.

d. Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Commission considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

e. Capital Assets:

Capital assets are stated at cost. The provision for depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, related costs are removed from the accounts and any gain or loss is reported in the statements of revenues, expenses and changes in net assets. Estimated useful lives of the assets are as follows:

Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Auto equipment	5 years
Tenant improvements	5 years

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Deferred Rent:

The Commission's policy is to average any defined rental escalations or rent concessions over the term of the related lease in order to provide a level recognition of rent expense. The Commission's total deferred rent obligation was \$16,405 at June 30, 2012. There was no deferred rent obligation at June 30, 2011.

g. Net Assets

Net assets are classified into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- *Invested in capital assets, net of related debt* - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- *Restricted* - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* - This component of net assets consists of net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted".

The Los Angeles County Treasury Pool is a pooled investment fund program governed by the Los Angeles County Board of Supervisors, and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$318,460 and \$231,767 as of June 30, 2012 and 2011, respectively. Information on the pool's use of derivative securities in its investment portfolio and the Commission's exposure to credit, market, or legal risk is not available.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

h. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

3. CASH AND CASH EQUIVALENTS:

The Commission's cash balances are either deposited with a bank or pooled and invested by the Los Angeles County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily balance during the allocation period.

Statutes authorize the County of Los Angeles to invest pooled investments in obligations of the United States Treasury, federal agencies, municipalities, commercial paper rated A-1 by Standard and Poor's Corporation and P-1 by Moody's Commercial Paper Record, banker's acceptances, negotiable certificates of deposit, floating rate notes, repurchase agreements and reverse repurchase agreements.

Funds deposited in the Los Angeles County Treasury Pool that are presented as cash and cash equivalents in the statements of net assets amounted to \$318,460 and \$231,767 as of June 30, 2012 and 2011, respectively.

At June 30, 2012 and 2011 accounts deposited with the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for interest bearing accounts and unlimited insurance for non-interest bearing accounts. At June 30, 2012 and 2011, there were no cash balances in excess of federally insured limits.

a. Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2012 and 2011, the Commission's funds are held as short-term deposits in the Los Angeles County Treasury Pool.

b. Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2012 and 2011, the Commission had no outstanding investments.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

3. CASH AND CASH EQUIVALENTS (CONTINUED):

c. Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributable to the magnitude of the Commission's investment in a single issuer.

d. Custodial Credit Risk:

Custodial credit risk as the risk that the Commission will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. As of June 30, 2012 and 2011, the Los Angeles County Treasury Pool's and the Commission's exposure to risk (credit, market or legal) is not available.

4. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Capital Assets:				
Office equipment	\$ 77,345	\$ -	\$ -	\$ 77,345
Furniture and fixtures	92,277	12,145	(38,465)	65,957
Auto equipment	22,818	-	-	22,818
Tenant improvements	-	11,328	-	11,328
Total capital assets	<u>192,440</u>	<u>23,473</u>	<u>(38,465)</u>	<u>177,448</u>
Less accumulated depreciation for:				
Office equipment	(75,220)	(873)	-	(76,093)
Furniture and fixtures	(66,270)	(9,524)	26,284	(49,510)
Auto equipment	(22,818)	-	-	(22,818)
Tenant improvements	-	(826)	-	(826)
Total accumulated depreciation	<u>(164,308)</u>	<u>(11,223)</u>	<u>26,284</u>	<u>(149,247)</u>
Total capital assets, net	<u>\$ 28,132</u>	<u>\$ 12,250</u>	<u>\$ (12,181)</u>	<u>\$ 28,201</u>

5. ADVANCES FROM GOVERNMENTAL AGENCIES:

Advances represent amounts provided to the Commission for the expenses to be incurred in preparation of a Comprehensive Fiscal Analysis to determine feasibility of incorporation of a new governmental entity or for or Municipal Service Reviews for specific municipalities.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

6. LONG-TERM LIABILITIES:

Long-term liability activity for the year ended June 30, 2012, was as follows:

Compensated absences at July 1, 2011	\$ 42,764
Compensated absences earned	21,635
Compensated absences used	<u>(8,718)</u>
 Compensated absences at June 30, 2012	 <u>\$ 55,681</u>

There is no fixed payment schedule for earned but unpaid compensated absences. Compensated absences expected to be paid within one year is \$25,466 at June 30, 2012.

7. PENSION PLAN:

The Commission's pension plan is administered by the Los Angeles County Employees Retirement Association (LACERA) which was established under the County Employees Retirement Law of 1937. It provides benefits to employees of the County of Los Angeles as well as four other additional entities, including LAFCO, that are not part of the County's reporting entity. Benefits are authorized in accordance with the County Employee's Retirement Law, the by-laws and procedures adopted by LACERA's Boards of Retirement and Investments and Board of Supervisors' resolutions.

LACERA is technically a cost sharing, multi-employer defined benefit plan that provides retirement, disability, death benefits and cost of living adjustments to eligible employees. Eligibility to participate in the retirement plan is determined by having completed thirty days of credited service. As determined by LACERA, the Commission contributes 12.72% of employees' covered salary. Contributions for the fiscal years ended June 30, 2012 and 2011 were \$77,656 and \$56,626, respectively. Refer to the 2012 Annual Report of LACERA for the funded status of the Plan.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

a. Plan Description:

In addition to the retirement plan described in Note 7, the Commission provides a defined benefit healthcare plan to retirees in accordance with the benefits provided by the Los Angeles County Retirement Association. Spouses are also covered throughout their lives. The Commission pays 4% of the annual premiums for each year of service of the employee. Employees must have worked a minimum of 5 years with the Commission in order to be eligible for these benefits.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

b. Funding Policy:

As of June 30, 2012, the Commission has not established a trust account or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The Commission's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. For the fiscal years ended June 30, 2012 and 2011, those costs totaled \$5,208 and \$5,491, respectively.

c. Annual OPEB Cost and Net OPEB Obligation:

The Annual Required Contribution (ARC) was calculated based on the Alternative Measurement Method which is applicable to employers with fewer than 100 plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Commission's annual OPEB cost for the year (based on 30-year amortization), the amount of benefits and/or insurance premiums actually paid and the Commission's Net OPEB obligation as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 72,671	\$ 72,671
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	<u>72,671</u>	<u>72,671</u>
Pay-as-you-go cost	<u>(5,208)</u>	<u>(5,491)</u>
Increase in net OPEB obligation	67,463	67,180
Net OPEB obligation - beginning of year	<u>133,941</u>	<u>66,761</u>
Net OPEB obligation - end of year	<u>\$ 201,404</u>	<u>\$ 133,941</u>

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

d. Three-Year Trend Information:

The Commission's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan and the net OPEB obligation for 2012 and the preceding two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
6/30/10	\$ 73,671	8.00%	\$ 66,761
6/30/11	72,761	7.55%	133,941
6/30/12	72,761	7.16%	201,404

e. Funded Status and Funding Progress:

As of July 1, 2009, the most recent actuarial valuation date, the plan is not funded. The actuarial accrued liability for benefits was \$680,973, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$680,973. The covered payroll (annual payroll of active employees covered by the plan) was \$531,926 and the ratio of the UAAL to the covered payroll was 128.02%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

f. Methods and Assumptions:

The following statistics and assumptions were used in the actuarial valuation:

No. of active employees	7
Average age of active, eligible employees	38
Assumed retirement age	60
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll over a 30-year period
Discount rate	5%
Payroll growth rate	2%
Healthcare cost trend	3%

9. COMMITMENTS:

The Commission has entered into office space and copier leases under long-term lease agreements expiring through November 2021. Future minimum rental payment under non-cancelable leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 81,243
2014	83,164
2015	92,032
2016	101,379
2017	86,700
Thereafter	<u>414,760</u>
Total	<u>\$ 859,278</u>

Total rent expense for the years ended June 30, 2012 and 2011 amounted to \$102,101 and \$75,341, respectively.

See independent auditors' report.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2012 and 2011

10. CORRECTION OF AN ERROR:

The accompanying financial statements as of and for the year ended June 30, 2011 have been restated to correct an error for failing to record accrued compensated absences. The effect of the restatement was to decrease changes in net assets for the year ended June 30, 2011 by \$12,644. Net assets at July 1, 2010 have been reduced by \$30,120 for the effect of the restatement on prior years.

11. RECLASSIFICATIONS:

Certain reclassifications have been made to the June 30, 2011 financial statements in order to conform with the current year presentation.

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF FUNDING PROGRESS

For the years ended June 30, 2012 and 2011

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (UAAL) (a) - (b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/c]
7/1/2009	\$ 680,973	\$ -	\$ 680,973	0.00%	\$ 531,926	128.02%

See independent auditors' report.

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Commission Members
Local Agency Formation Commission
for the County of Los Angeles
Pasadena, California

We have audited the financial statements of the Local Agency Formation Commission for the County of Los Angeles (the "Commission"), as of and for the year ended June 30, 2012, and have issued our report thereon dated January 29, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency FS 12-01, as described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiencies FS 12-02, FS 12-03 and FS 12-04, as described in the accompany schedule of findings to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no other matters that are required to be reported under *Government Auditing Standards*.

The Commission's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Commission's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Commission members, others within the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Black Evans LLP

Irvine, California
January 29, 2013

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF FINDINGS

Year Ended June 30, 2012

FS 12-01: Develop a year-end closing procedure

Condition and Context

At present, the Commission does not have a formalized process for performing the financial close process. This resulted in numerous adjustments proposed by the auditors, including adjustments for capitalizing assets, recording depreciation, recording disposals of capital assets, recording accrued compensated absences, recording prepaid expenses, and recording the retirement obligation.

Recommendations

We recommend that the Commission develop formalized year-end closing procedures. Year end closing procedures should involve recording of accrual entries to properly report activity on an accrual basis of accounting. These entries should include capitalization of assets, depreciation, prepayments, payroll accruals, accounts payable, accounts receivable and other recurring charges.

The following is our recommended summary of closing procedures for your consideration:

- A. Complete all payroll processes, including -
 - Processing all payroll checks for the current payroll year through June 30.
 - Preparing, reconciling and filing payroll tax forms and reports, such as Form 1099, 1096, W-2 and W-3, where applicable.
- B. Determine that all transactions have been recorded and posted. Review the transactions for completeness by scanning the ending balances and the transactions posted to each general ledger account to detect unusual entries or unexpected ending balances.
- C. Reconcile all general ledger accounts and make necessary adjustments, including -
 - Agreeing ending general ledger cash balances to ending bank reconciliation balances
 - Agreeing ending general ledger credit card liability balances to ending credit card statement reconciliations
 - Agreeing the ending accounts payable balance to the total of the Aged Payables Report
 - Agreeing the ending accrued compensated absences balance to the Vacation/Sick Accrual Report
 - Reconcile and review whether all capitalizable assets were recorded properly
 - Capitalizing and amortizing prepaid assets
 - Calculating and recording depreciation on capital assets
- D. Print and reconcile the following year-end reports in order to have a record of historical transactions for the year (they may also be useful during the audit):
 - Accounts receivable
 - Cash receipts journal
 - Aged accounts receivable trial balance

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF FINDINGS (CONTINUED)

Year Ended June 30, 2012

- Accounts payable
Check register
Aged accounts payable trial balance
Forms 1099
- Payroll
Payroll check register
Quarterly earnings report
Yearly earnings report
Payroll tax reports
State quarterly report forms
Federal forms
Vacation/Sick Accrual Report
- General ledger
Trial balance
Adjusting journal entries
Reclassification entries

Management's Response

Management has hired a part-time CPA who will work with staff to develop and implement year-end closing procedures. Formalized written policies and procedures will be presented to the LAFCO Commission in early 2013.

FS 12-02: Develop an asset capitalization policy

Condition and context

There is currently no formalized policy for the capitalization of assets. This led to auditor recommended adjustments to capitalized assets.

Recommendation

We recommend that the Commission formalize a capitalization policy to ensure that assets are capitalized consistently. For example, the Commission may chose to capitalize all assets with useful lives of greater than one year and cost values of greater than \$1,000.

Management's Response

Management is working with a CPA to formalize a written policy for the capitalization of assets, with cost values to be determined.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF FINDINGS (CONTINUED)

Year Ended June 30, 2012

FS 12-03: Journal entry approval process

Condition and context

There is currently no formalized policies or procedures regarding the journal entry posting and approving processes. As a result the auditor was not able to verify the appropriate approvals of manual journal entries.

Recommendation

We recommend the adoption of a policy whereby all journal entries will be approved by the Executive Officer or other designated member of management. All entries should be initialed by the preparer and the individual approving them in order to attribute responsibility to the appropriate individuals.

Management's Response

A formalized policy for documenting journal entries will be submitted to the LAFCO Commission for approval in early 2013.

FS 12-04: Financial statement preparation

Condition and context

Management lacks the knowledge necessary to prepare the financial statements in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards. As a result, the auditors have assisted in preparing the financial statements as well as the adjusting entries necessary to bring the accounting records in compliance with these accounting principles.

Recommendation

We recommend that the Commission employ an individual with the appropriate knowledge of generally accepted accounting principles and Governmental Accounting Standards, or that the Commission assign an individual within the organization to obtain the appropriate training in such regard.

Management's Response

Management has contracted with an Accountant to prepare financial statements and adjusting journal entries, as necessary, to ensure that the agency is in compliance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards.

Staff Report

March 13, 2013

Agenda Item No. 8.b. Legislative Position on AB 743

Staff is seeking direction from the Commission regarding a legislative position on AB 743 relating to "island" annexations.

Current law, Government Code Section 56375.3, enables a city to annex an unincorporated island without the Commission conducting protest proceedings. Section 56375.3 mandates that the Commission approve annexations of unincorporated islands of 150 acres or less which meet the other criteria for this process. This section of the law is mandatory, not advisory—the operative phrase states that the Commission “shall” approve such applications. Although there is a set of qualifying requirements—generally, the property must be a developed community in an urbanized area, amongst other things—many of the unincorporated islands in Los Angeles County meet the requirements. These “island provisions” in Government Code Section 56375.3 are set to expire on January 1, 2014.

State law has included island provisions for several decades, going as far back as the “predecessor” acts to Cortese-Knox-Hertzberg. In the past, these provisions had smaller thresholds (i.e., 75 acres or 100 acres) and each provision has included a sunset date.

At the request of CALAFCO (the California Association of Local Agency Formation Commissions), Assembly Member Logue introduced AB 743 (a copy is enclosed). AB 743 would do two things: one, eliminate the January 1, 2014 sunset provision, essentially making this provision of the law permanent; and two, increase the allowable maximum acreage for application of the island annexation provisions from 150 to 300 acres.

CALAFCO has indicated that its sponsorship of this legislation is based on its view that the sunset date is arbitrary and that the island annexation provisions would continue to be a useful tool for implementing logical boundaries for efficient municipal services. It also suggests that maintaining this island annexation process would assist in the updates of City and County general plans. Representatives of LAFCOs around the State have indicated their support for AB 743. Although some LAFCOs have had questions about the proposal, there is no known opposition from any LAFCO.

Some LAFCOs have comprehensive “island programs” that utilize the provision to encourage cities to annex unincorporated islands. For example, Orange LAFCO, working with representatives of Orange County and each involved city, successfully processed island annexation applications for more than half of the islands in urban Orange County.

The island provisions have not been utilized extensively in Los Angeles County. There is one island annexation pending before LAFCO (involving the City of Glendora), and staff is currently

exploring one other potential island annexation. Staff can recall no more than a handful of island annexations within the past decade.

Enclosed is a series of maps LAFCO prepared in 2010 identifying the remaining islands in Los Angeles County. Separately, in the year 2000, the Los Angeles County Department of Public Works identified forty-three (43) islands of 100 acres or more (at that time, the island threshold was 100 acres). While the maps do not show acreage calculations, increasing the threshold from the existing 150-acre limitation to a 300-acre limitation would, very likely, enable more of these areas to utilize the island provisions.

There are two competing schools of thought relative to the island provisions.

On the one hand, a city can file an application to annex an unincorporated island with a reasonable expectation that the application will be approved by LAFCO. City representatives (or petitioners) need not worry about going through the effort, cost, and time associated with the application process, only to have the application terminated due to majority protest. In some instances, particularly for small islands that are removed from other County unincorporated territory, a city may be better positioned to provide municipal services.

On the other hand, even if the vast majority of registered voters or owners express opposition to a proposed island annexation during the public hearing, the Commission is legally obligated to approve the annexation if the required criteria are met.

Neither your representative on the CALAFCO Board of Directors (Chair Gladbach), nor your representative on the CALAFCO Legislative Committee (Executive Officer Novak), has taken a position on AB 743. Again, the purpose of agendaizing this item is to seek Commission input and convey the same to CALAFCO and potentially elected officials in Sacramento.

Requested Direction:

Staff is seeking direction from the Commission relative to one of the following options

- Support AB 743, or similar legislation, and convey that support to CALAFCO; or
- Oppose AB 743, or similar legislation, and convey that opposition to CALAFCO; or
- Stay neutral, taking no position on AB 743 or similar legislation.

ASSEMBLY BILL

No. 743

Introduced by Assembly Member Logue

February 21, 2013

An act to amend Sections 56375.3 and 56375.4 of, and to repeal Section 57080 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 743, as introduced, Logue. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission. The act authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city, if the petition was initiated on or after January 1, 2010, and before January 1, 2014, and waive protest proceedings entirely if certain requirements are met. This provision applies only to territory that does not exceed 150 acres.

This bill would delete the January 1, 2014, date and make conforming changes. The bill would authorize the commission to approve a change of organization or reorganization pursuant to these provisions of a territory that does not exceed 300 acres.

The act additionally authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city that was initiated on or after January 1, 2014, if certain requirements are met, and requires the commission to follow specified procedures in making this approval.

This bill would repeal these provisions.

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

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

1 SECTION 1. Section 56375.3 of the Government Code is
2 amended to read:
3 56375.3. (a) In addition to those powers enumerated in Section
4 56375, a commission shall ~~do either of the following:~~
5 ~~(1) Approve, approve,~~ after notice and hearing, the change of
6 organization or reorganization of a city, and waive protest
7 proceedings pursuant to Part 4 (commencing with Section 57000)
8 entirely, if all of the following are true:
9 ~~(A)~~
10 ~~(1)~~ The change of organization or reorganization is initiated on
11 or after January 1, 2000, ~~and before January 1, 2014.~~
12 ~~(B)~~
13 ~~(2)~~ The change of organization or reorganization is proposed
14 by resolution adopted by the affected city.
15 ~~(C)~~
16 ~~(3)~~ The commission finds that the territory contained in the
17 change of organization or reorganization proposal meets all of the
18 requirements set forth in subdivision (b).
19 ~~(2) Approve, after notice and hearing, the change of organization~~
20 ~~or reorganization of a city, subject to subdivision (a) of Section~~
21 ~~57080, if all of the following are true:~~
22 ~~(A) The change of organization or reorganization is initiated on~~
23 ~~or after January 1, 2014.~~
24 ~~(B) The change of organization or reorganization is proposed~~
25 ~~by resolution adopted by the affected city.~~
26 ~~(C) The commission finds that the territory contained in the~~
27 ~~change of organization or reorganization proposal meets all of the~~
28 ~~requirements set forth in subdivision (b).~~
29 (b) Subdivision (a) applies to territory that meets all of the
30 following requirements:
31 (1) It does not exceed ~~150~~ 300 acres in area, and that area
32 constitutes the entire island.
33 (2) The territory constitutes an entire unincorporated island
34 located within the limits of a city, or constitutes a reorganization
35 containing a number of individual unincorporated islands.

1 (3) It is surrounded in either of the following ways:

2 (A) Surrounded, or substantially surrounded, by the city to which
3 annexation is proposed or by the city and a county boundary or
4 the Pacific Ocean.

5 (B) Surrounded by the city to which annexation is proposed and
6 adjacent cities.

7 (C) This subdivision shall not be construed to apply to any
8 unincorporated island within a city that is a gated community where
9 services are currently provided by a community services district.

10 (D) Notwithstanding any other provision of law, at the option
11 of either the city or the county, a separate property tax transfer
12 agreement may be agreed to between a city and a county pursuant
13 to Section 99 of the Revenue and Taxation Code regarding an
14 annexation subject to this subdivision without affecting any existing
15 master tax sharing agreement between the city and county.

16 (4) It is substantially developed or developing. The finding
17 required by this paragraph shall be based upon one or more factors,
18 including, but not limited to, any of the following factors:

19 (A) The availability of public utility services.

20 (B) The presence of public improvements.

21 (C) The presence of physical improvements upon the parcel or
22 parcels within the area.

23 (5) It is not prime agricultural land, as defined by Section 56064.

24 (6) It will benefit from the change of organization or
25 reorganization or is receiving benefits from the annexing city.

26 (c) Notwithstanding any other provision of this subdivision, this
27 subdivision shall not apply to all or any part of that portion of the
28 development project area referenced in subdivision (e) of Section
29 33492.41 of the Health and Safety Code that as of January 1, 2000,
30 meets all of the following requirements:

31 (1) Is unincorporated territory.

32 (2) Contains at least 100 acres.

33 (3) Is surrounded or substantially surrounded by incorporated
34 territory.

35 (4) Contains at least 100 acres zoned for commercial or
36 industrial uses or is designated on the applicable county general
37 plan for commercial or industrial uses.

38 SEC. 2. Section 56375.4 of the Government Code is amended
39 to read:

1 56375.4. (a) The authority to initiate, conduct, and complete
2 any proceeding pursuant to subdivision (a) of Section 56375.3
3 does not apply to any territory that, after January 1, 2000, became
4 surrounded or substantially surrounded by the city to which
5 annexation is proposed, except for islands that were created after
6 January 1, 2000, as a result of boundary adjustments between two
7 counties. ~~The authority to initiate, conduct, and complete any~~
8 ~~proceeding pursuant to paragraph (1) of subdivision (a) of Section~~
9 ~~56375.3 shall expire January 1, 2014. The period of time between~~
10 ~~January 1, 2000, and January 1, 2014, shall not include any period~~
11 ~~of time during which, in an action pending in any court, a local~~
12 ~~agency is enjoined from conducting proceedings pursuant to~~
13 ~~paragraph (1) of subdivision (a) of Section 56375.3. Upon final~~
14 ~~disposition of that case, the previously enjoined local agency may~~
15 ~~initiate, conduct, and complete proceedings pursuant to paragraph~~
16 ~~(1) of subdivision (a) of Section 56375.3 for the same period of~~
17 ~~time as was remaining under that 14-year limit at the time the~~
18 ~~injunction commenced. However, if the remaining time is less than~~
19 ~~six months, that authority shall continue for six months following~~
20 ~~final disposition of the action.~~

21 (b) ~~Between January 1, 2000, and January 1, 2014, no new~~
22 ~~proposal involving the same or substantially the same territory as~~
23 ~~a proposal initiated pursuant to paragraph (1) of subdivision (a)~~
24 ~~of Section 56375.3 after January 1, 2000, shall be initiated for two~~
25 ~~years after the date of adoption by the commission of a resolution~~
26 ~~terminating proceedings.~~

27 SEC. 3. Section 57080 of the Government Code is repealed.

28 57080. (a) ~~With respect to a proceeding initiated on or after~~
29 ~~January 1, 2014, when approved and authorized by the commission~~
30 ~~pursuant to Section 56375.3, Sections 57050, 57051, 57052, and~~
31 ~~57078, shall apply and Section 57075 shall not apply.~~

32 (b) ~~The commission, not more than 30 days after conclusion of~~
33 ~~the hearing, shall make a finding regarding the value of written~~
34 ~~protests filed and not withdrawn and shall do either of the~~
35 ~~following:~~

36 (1) ~~Terminate proceedings if written protests have been filed~~
37 ~~and not withdrawn by 50 percent or more of the registered voters~~
38 ~~within the affected territory.~~

39 (2) ~~Order the territory annexed without an election.~~



City of Palmdale

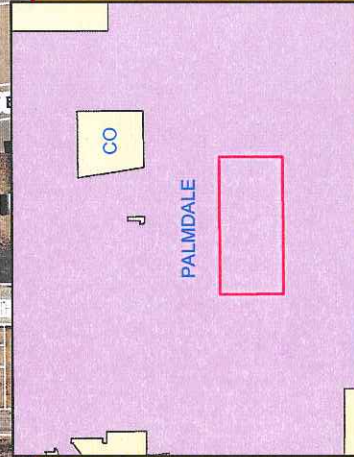
Annexation No. 2004-02
to the City of Palmdale
(effective date 11-16-04)

Parcel Boundary



LAFCO
Local Agency Formation Commission
For The County of Los Angeles

(Map No. 2 of 32)



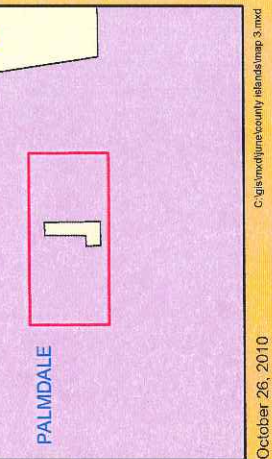
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Unincorporated County Islands (Map No. 3 of 32)



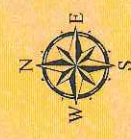
- Unincorporated County Territory
- City of Palmdale
- County Island
- Parcel Boundary



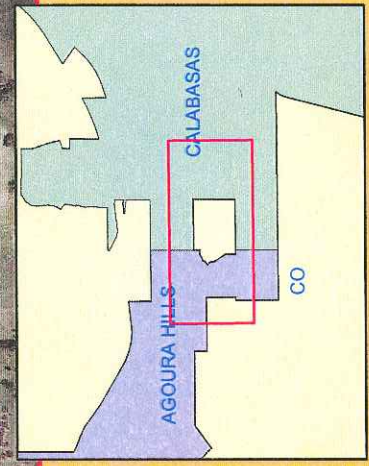
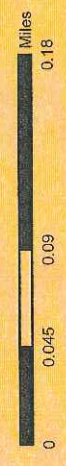


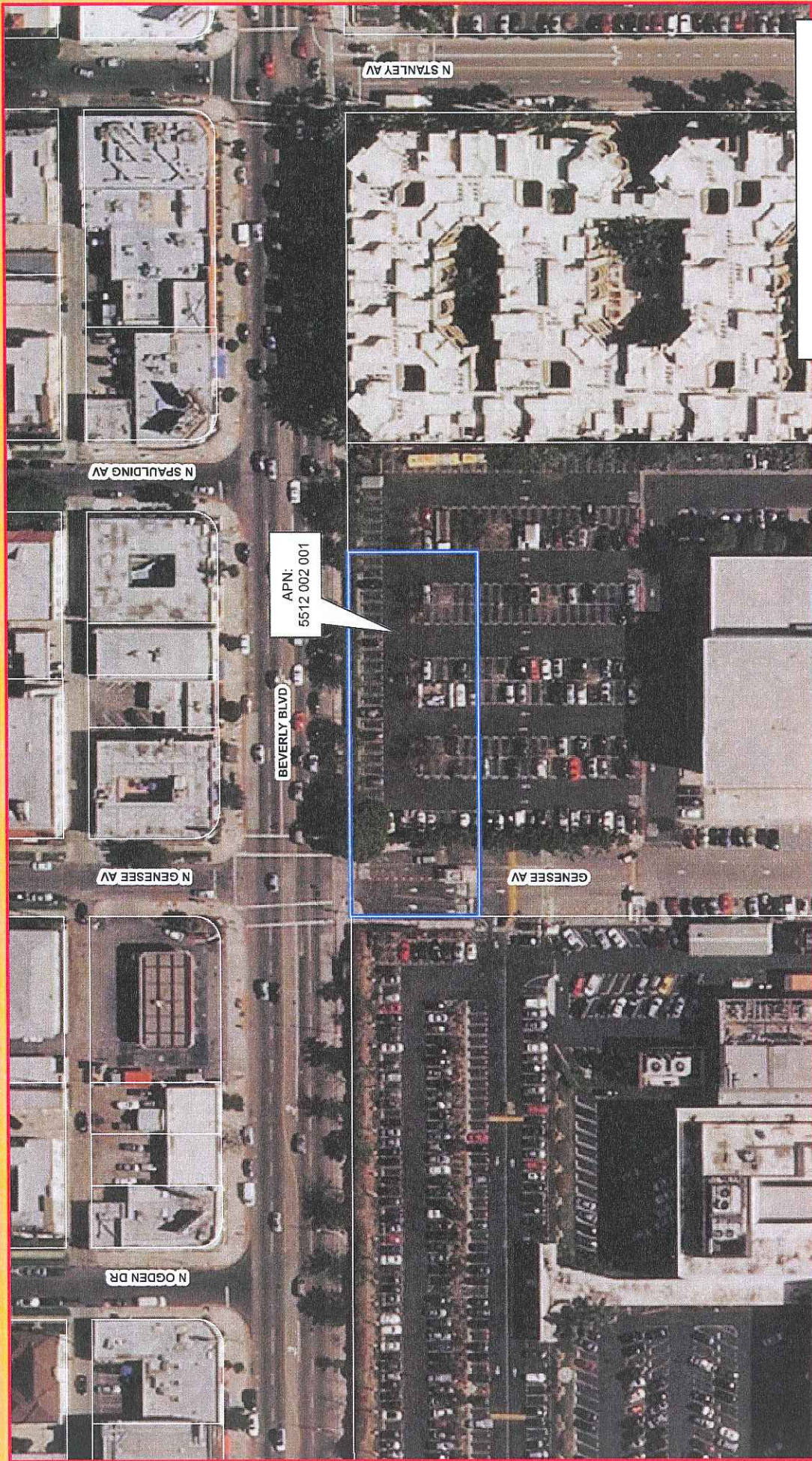
Unincorporated County Islands (Map No. 4 of 32)

- Unincorporated County Territory
- City of Agoura Hills
- City of Calabasas
- County Island
- Parcel Boundary



LAFCO
Local Agency Federation of California
 For The County of Los Angeles





LOS ANGELES

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LAFCO
Local Agency Finance Commission
For the County of Los Angeles

Unincorporated County Islands (Map No. 5 of 32)

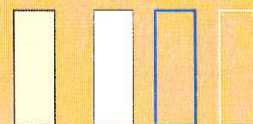


Unincorporated County
Territory

City of Los Angeles

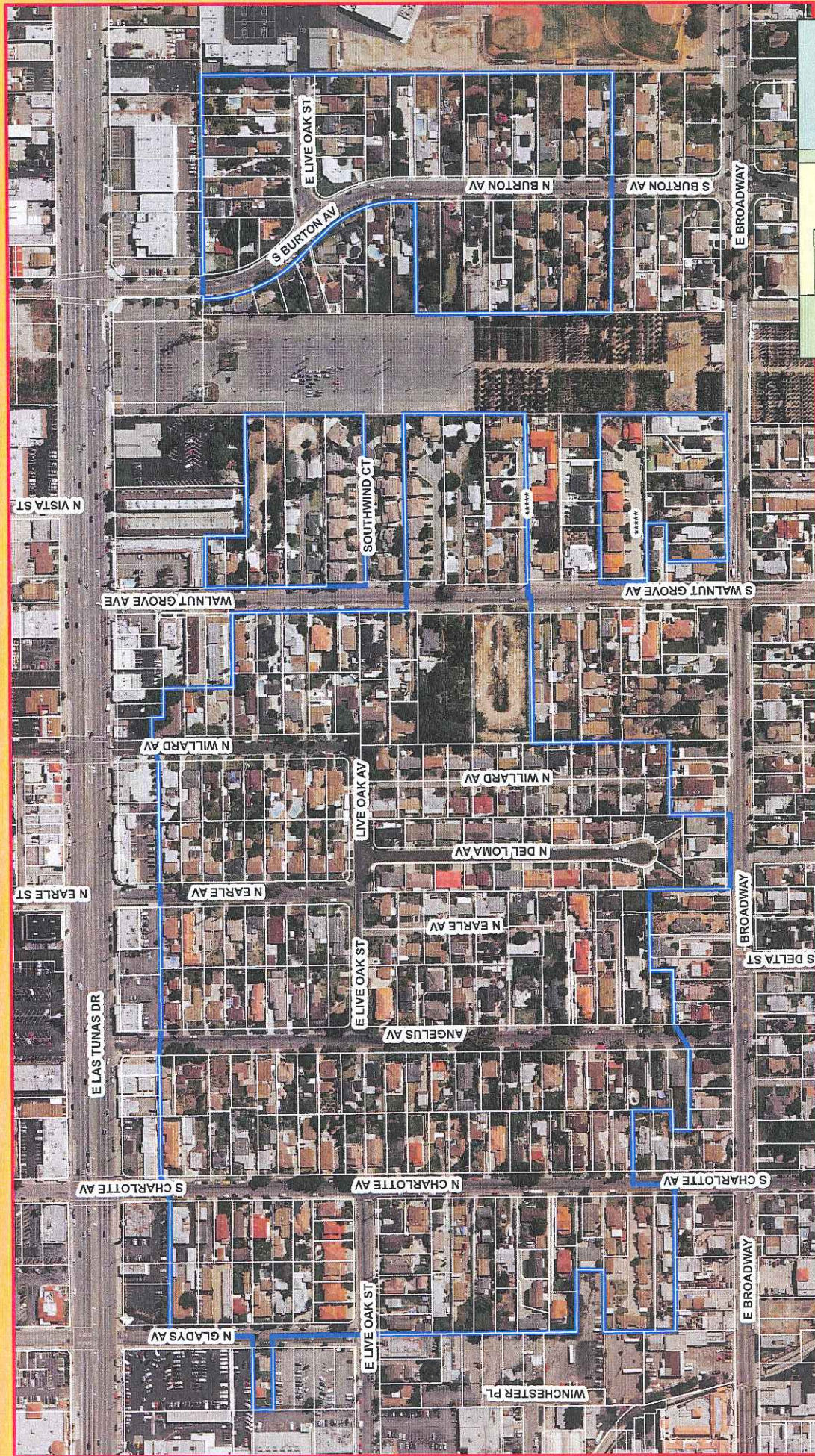
County Island

Parcel Boundary



October 25, 2010

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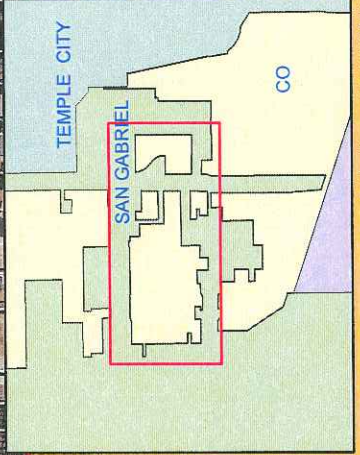


- Unincorporated County Territory
- City of San Gabriel
- City of Temple City
- County Island
- Parcel Boundary

Unincorporated County Islands (Map No. 6 of 32)



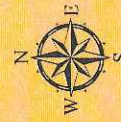
LAFCO
Long Beach Forward County Association
 for the County of Los Angeles



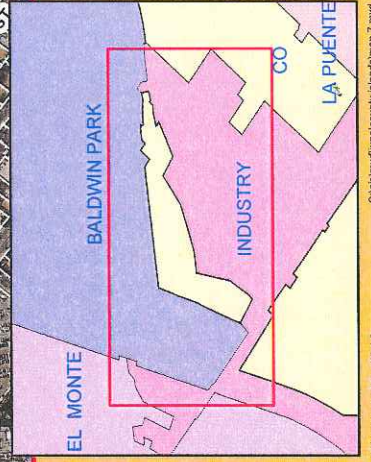


- Unincorporated County Territory
- City of Baldwin Park
- City of Industry
- County Island
- Parcel Boundary

Unincorporated County Islands (Map No. 7 of 32)



LAFCO
Local Agency Finance Commission
For The County of Los Angeles



October 27, 2010
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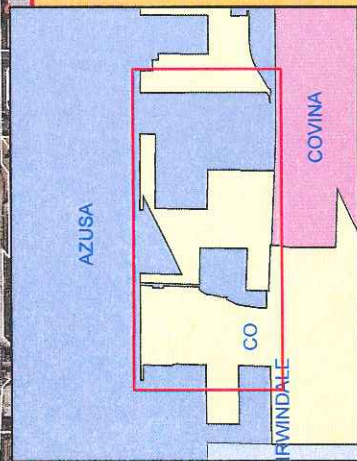


- Unincorporated County Territory
- City of Azusa
- City of Covina
- County Island
- Parcel Boundary

Unincorporated County Islands (Map No. 8 of 32)



LAFCO
Los Angeles County
Forward Thinking. Forward Moving.



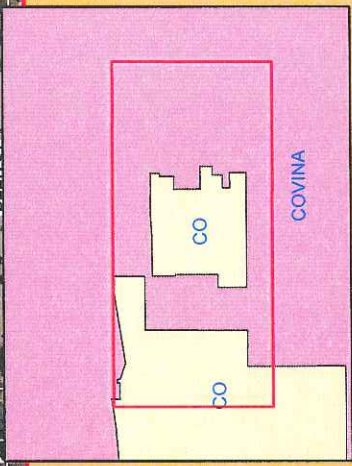


Unincorporated County Islands (Map No. 10 of 32)



LAFCO
 Local Agency Formation Commission
 Part of the County of Los Angeles

- Unincorporated County Territory
- City of Covina
- County Island
- Parcel Boundary



October 27, 2010
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Unincorporated County Territory

City of Covina

City of Glendora

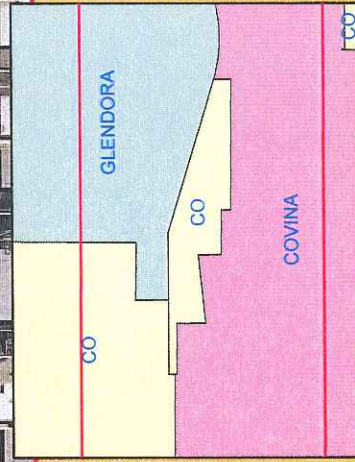
County Island

Parcel Boundary

Unincorporated County Islands (Map No. 11 of 32)

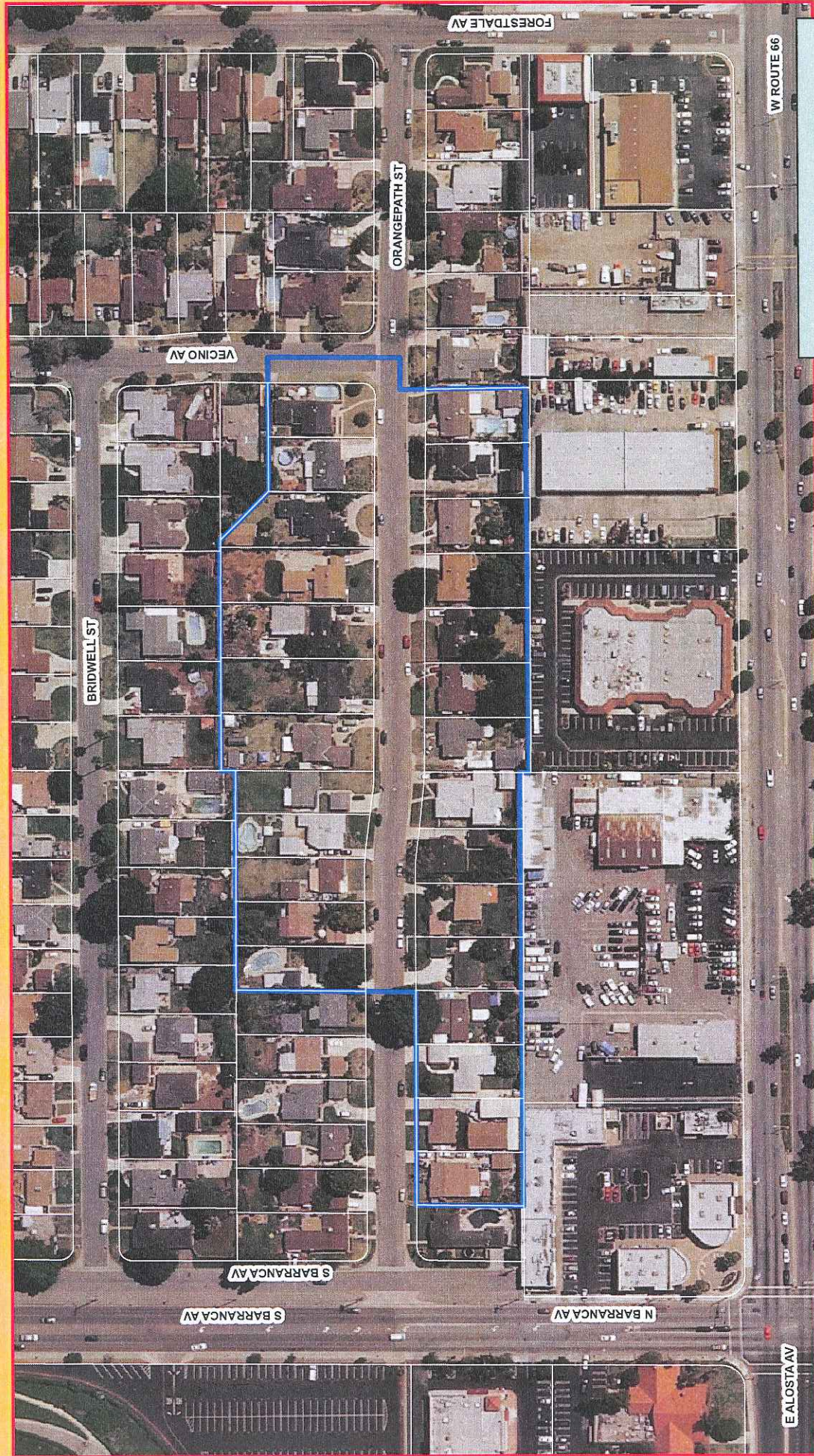


LAFCO
Local Agency Formation Commission
for the County of Los Angeles



October 28, 2010

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Unincorporated County Territory

City of Azusa

City of Glendora

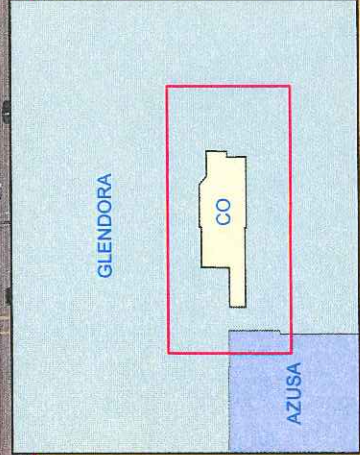
County Island

Parcel Boundary






Unincorporated County Islands (Map No. 12 of 32)



LAFCO
Local Agency Formation Commission
For the County of Los Angeles



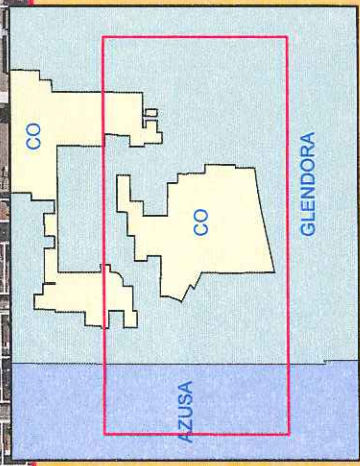


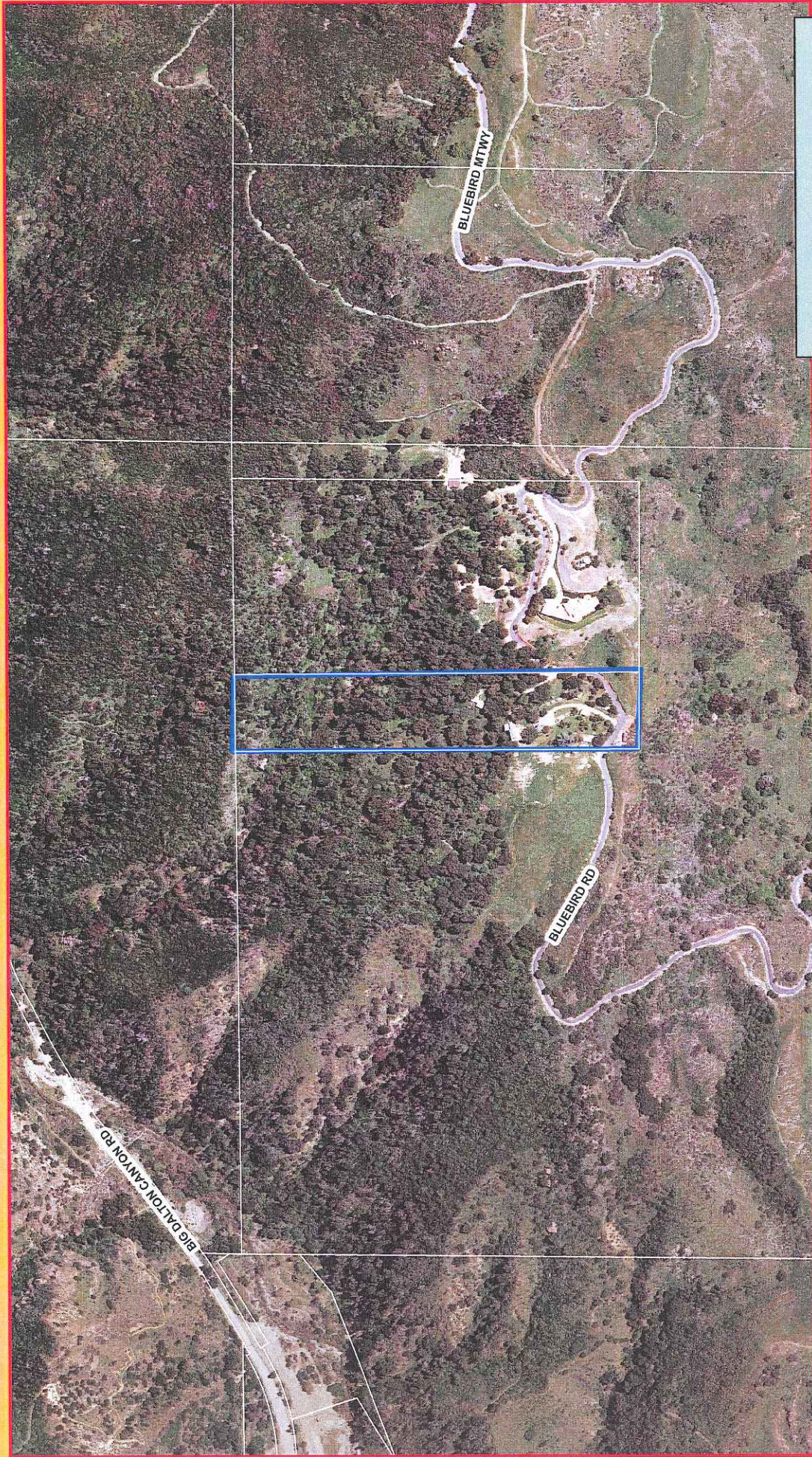
-  Unincorporated County Territory
-  City of Azusa
-  City of Glendora
-  County Island
-  Parcel Boundary






Unincorporated County Islands (Map No. 13 of 32)



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



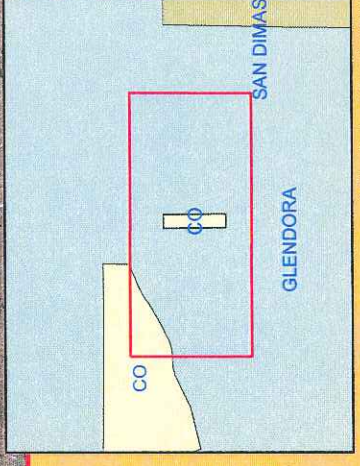


-  Unincorporated County Territory
-  City of Glendora
-  City of San Dimas
-  County Island
-  Parcel Boundary

Unincorporated County Islands (Map No. 15 of 32)





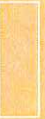


LAFCO
Local Agency Formation Commission
For The County of Los Angeles



October 28, 2010
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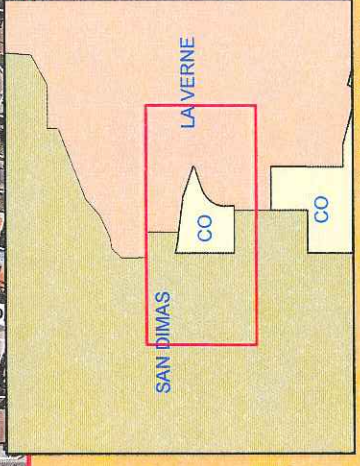


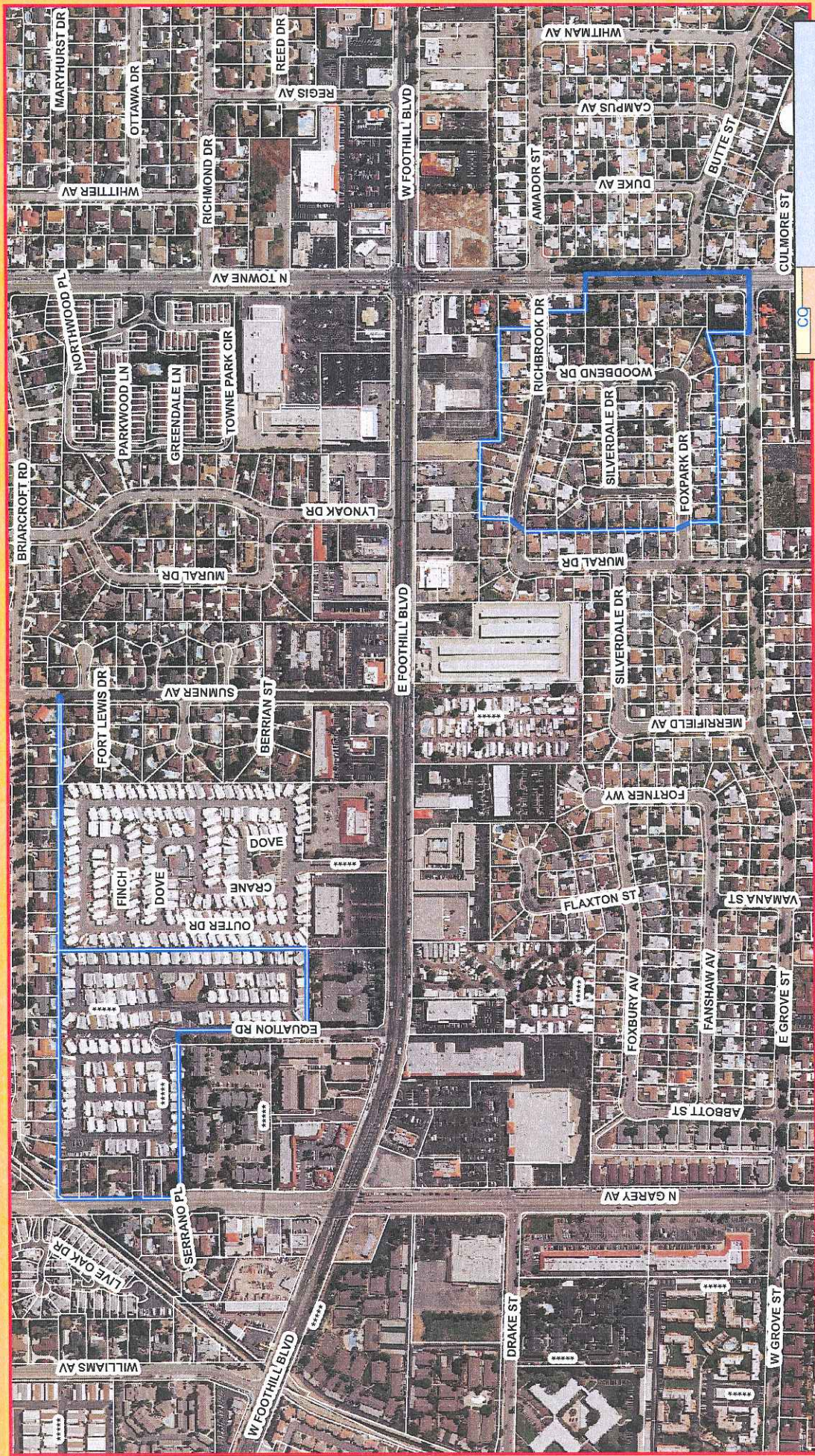
-  Unincorporated County Territory
-  City of La Verne
-  City of San Dimas
-  County Island
-  Parcel Boundary

Unincorporated County Islands (Map No. 16 of 32)



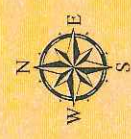
LAFCO
Local Agency Formation Commission
for the County of Los Angeles



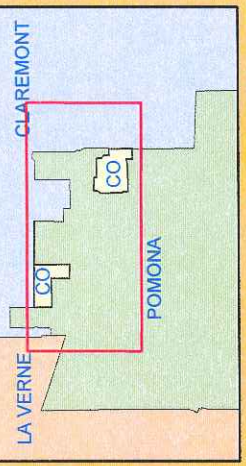


- Unincorporated County Territory
- City of La Verne
- City of Pomona
- County Island
- Parcel Boundary

Unincorporated County Islands (Map No. 17 of 32)



LAFCO
 Local Agency Formation Commission
 for the County of Los Angeles



October 28, 2010
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Unincorporated County Territory

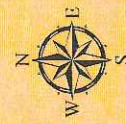
City of Covina

City of West Covina

County Island

Parcel Boundary

Unincorporated County Islands County No. 18 of 32)



LAFCO

Local Agency Formation Commission

For the County of Los Angeles



COVINA

SAN DIMAS

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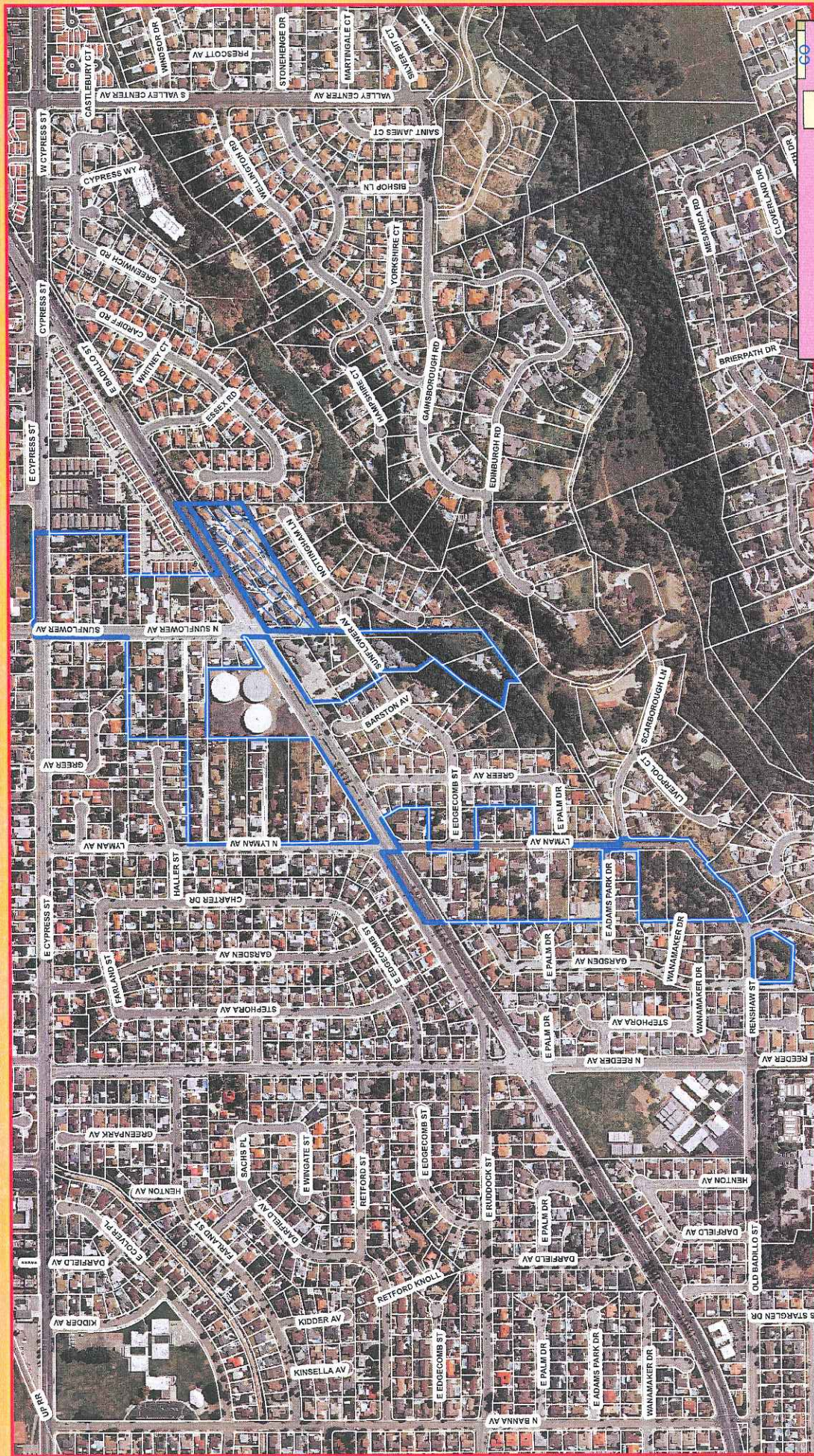
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Unincorporated County Territory



City of Covina



City of San Dimas



County Island



Parcel Boundary

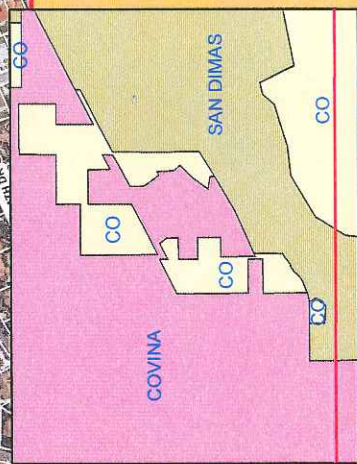


Unincorporated County Islands (Map No. 19 of 32)

Annexation No. 1999-01
to the City of San Dimas
(effective date 08-16-99)







LAFCO
Local Agency Formation Commission
The City of San Dimas and the City of Covina



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October 28, 2010



-  Unincorporated County Territory
-  City of West Covina
-  County Island
-  Parcel Boundary

Unincorporated County Islands (Map No. 20 of 32)



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



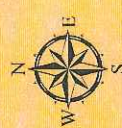
October 28, 2010

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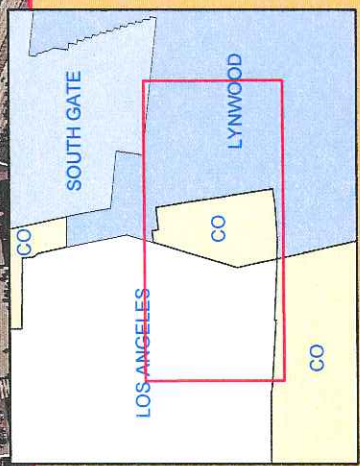


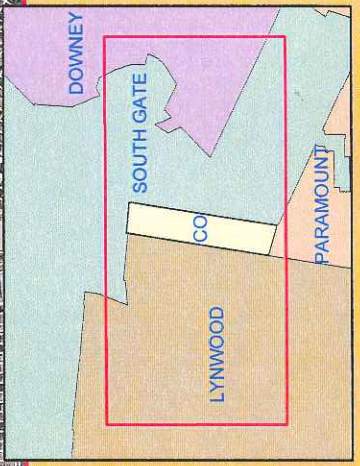
Unincorporated County Islands (Map No. 24 of 32)

- Unincorporated County Territory
- City of Compton
- County Island
- Parcel Boundary



LAFCO
Local Agency Formation Commission
 For the County of Los Angeles





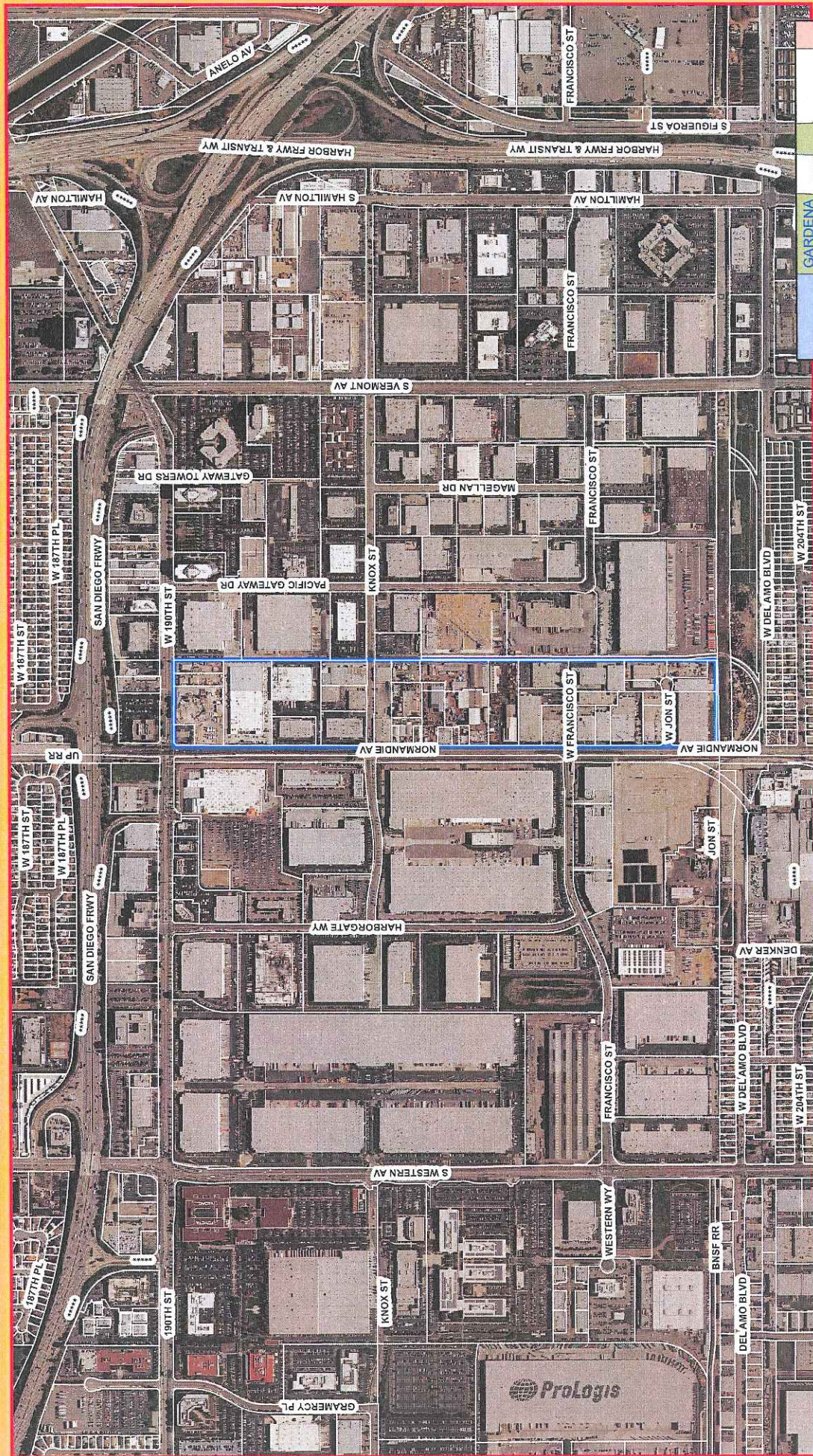
- Unincorporated County Territory
- City of Lynwood
- City of South Gate
- County Island
- Parcel Boundary

Unincorporated County Islands (Map No. 25 of 32)



LAFCO
Los Angeles County
Flood Control District





Unincorporated County Territory



City of Torrance



City of Torrance



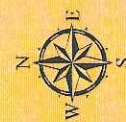
County Island



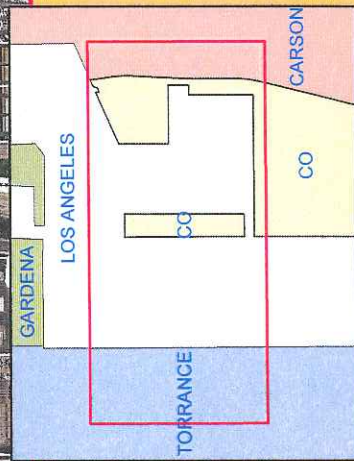
Parcel Boundary



Unincorporated County Islands (Map No. 27 of 32)



LAFCO
Local Agency Formation Commission
For The County of Los Angeles



October 28, 2010

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Unincorporated County Territory

City of Long Beach

City of Lakewood

County Island

Parcel Boundary

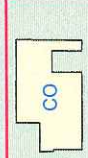
Unincorporated County Islands (Map No. 28 of 32)



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



LAKWOOD

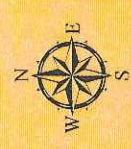


LONG BEACH

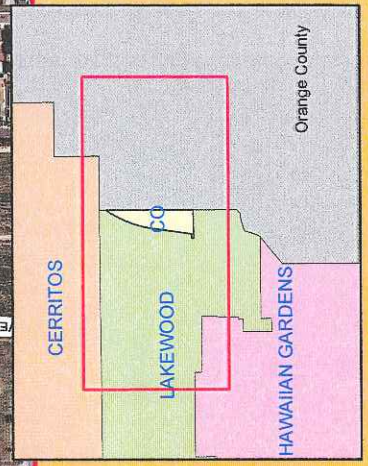


Unincorporated County Islands (Map No. 29 of 32)

- Unincorporated County Territory
- City of Lakewood
- County Island
- Parcel Boundary



LAFCO
Local Agency Formation Commission
 for the County of Los Angeles



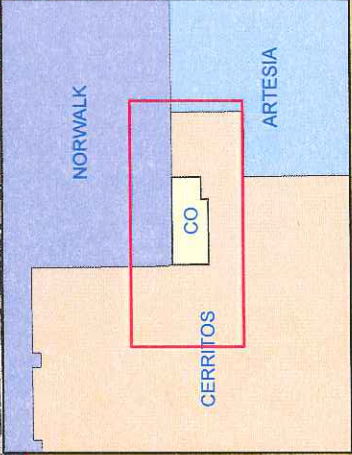


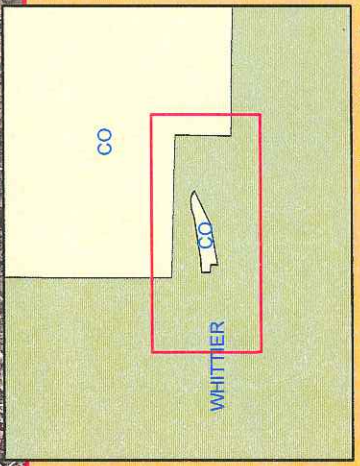
Unincorporated County Islands (Map No. 30 of 32)

- Unincorporated County Territory
- City of Cerritos
- County Island
- Parcel Boundary



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Unincorporated County Islands (Map No. 31 of 32)

- Unincorporated County Territory
- City of Whittier
- County Island
- Parcel Boundary



