



Local Agency Formation Commission
for the County of Los Angeles

Commission

Jerry Gladbach
Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Don Knabe
Sheila Kuehl
Gerard McCallum
David Spence

Alternates

Michael D. Antonovich
Lori Brogin
Paul Krekorian
Judith Mitchell
Joseph Ruzicka
Greig Smith

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

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Pasadena, CA 91101
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www.lalafco.org

**LOCAL AGENCY FORMATION COMMISSION
MEETING AGENDA**

Wednesday, March 9, 2016
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. INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857
NOTICE**

- a. Reorganization No. 2015-14 to the City of Pomona (Amendments to the City of Diamond Bar, City of Pomona, Greater Los Angeles County Vector Control District, and San Gabriel Valley Mosquito and Vector Control District Spheres of Influence (SOI); Detachment from the City of Diamond Bar and Greater Los Angeles County Vector Control District; Annexation to the City of Pomona, San Gabriel Valley Mosquito and Vector Control District, and Los Angeles County Sanitation District No. 21).

6. CONSENT ITEM(S)

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

- a. Approve Minutes of February 10, 2016.
- b. Operating Account Check Register for the month of February 2016.
- c. Receive and file update on pending proposals.
- d. Annexation No. 1075 to Santa Clarita Valley Sanitation District of Los Angeles County, and California Environment Quality Act exemption.
- e. Annexation No. 1076 to Santa Clarita Valley Sanitation District of Los Angeles County, and California Environment Quality Act exemption.

7. PUBLIC HEARING(S)

- a. Annexation No. 745 to the Los Angeles County Sanitation District No. 21 (Amendment to the Los Angeles County Sanitation District No. 21 Sphere of Influence) and Mitigated Negative Declaration.
- b. Reorganization No. 2013-04 to the City of Rolling Hills (Amendments to the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District Spheres of Influence (SOI); Detachment of Parcel 1 and 2 from the City of Rolling Hills; Annexation of Parcel 1 to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District and Parcel 2 to the City of Rolling Hills Estates), and California Environmental Quality Act exemption.
- c. Out-of-Agency Service Agreement No. 2016-02 between CV Communities, LLC; and the Los Angeles County Waterworks District No. 40 – Antelope Valley (Joshua Ranch), and Mitigated Negative Declaration.

8. PROTEST HEARING(S)

None

9. OTHER ITEMS

- a. Fiscal Year 2014-15 Audit Report.
- b. Proposed Amendment to Policy Concerning Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Sections 56133 and 56134
- c. Hidden Creeks Estates – Status Report

10. 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.

11. EXECUTIVE OFFICER'S REPORT

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

12. 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.

13. FUTURE MEETINGS

April 13, 2016

May 11, 2016 (will be held in room 374B)

June 8, 2016 (will be held in room 374B)

July 13, 2016

14. 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.

15. ADJOURNMENT MOTION

Staff Report

March 9, 2016

Agenda Item No. 5.a.

GOVERNMENT CODE § 56751 NOTICE (For Informational Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization, except a special reorganization, that includes the detachment of territory from any city, Government Code Section 56751 requires LAFCO to place the proposal on its agenda for informational purposes only, and to transmit a copy of the reorganization proposal to any city from which detachment is requested. Pursuant to Government Code section 56751(b), no more than 60 days after the meeting agenda date, the detaching city may adopt and submit to LAFCO a resolution requesting termination of the proceedings. If such a resolution is timely transmitted to LAFCO, the commission shall terminate the proceedings upon receipt from the city.

LAFCO may not hear and consider the proposed reorganization until after the 60-day period has expired unless the detaching city adopts and submits to LAFCO a resolution supporting the reorganization.

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

- a. *Project Description* - Reorganization No. 2015-14 to the City of Pomona (Amendments to the City of Diamond Bar, City of Pomona, Greater Los Angeles County Vector Control District, and San Gabriel Valley Mosquito and Vector Control District Spheres of Influence (SOI); Detachment from the City of Diamond Bar and Greater Los Angeles County Vector Control District; Annexation to the City of Pomona, San Gabriel Valley Mosquito and Vector Control District, and Los Angeles County Sanitation District No. 21).

The City of Pomona filed an application to detach approximately 5.10± acres of uninhabited territory from the City of Diamond Bar and annex the same said territory to the City of Pomona. The project includes development of one single-family home.

Project Location - The project site is generally located east of Looking Glass Drive. Just north of the 60 freeway, in the City of Diamond Bar.

The Executive Officer will transmit a copy of the reorganization proposal to the City of Diamond Bar, as required by Government Code section 56751(a).

Recommended Action

Receive and file.

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

 **DRAFT**

Commission

Jerry Gladbach
Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Don Knabe
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Gerard McCallum
David Spence

Alternates

Michael D. Antonovich
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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

REGULAR MEETING

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

February 10, 2016

Present:

Jerry Gladbach, Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Don Knabe
Sheila Kuehl
Gerard McCallum
David Spence

Michael D. Antonovich, Alternate
Lori Brogin-Falley, Alternate
Joe Ruzicka, Alternate
Greig Smith, Alternate

Paul A. Novak, AICP; Executive Officer
Erik Conard, Legal Counsel

Absent:

Paul Krekorian, Alternate

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626-204-6500
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www.lalafco.org

1 CALL MEETING TO ORDER

The meeting was called to order at 9:05 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 campaign contribution of more than \$250 to any member of the Commission during the past twelve (12) months to rise and state for the record the Commissioner to whom such campaign contributions were made and the item of their involvement (None).

4 SWEARING-IN OF SPEAKER(S)

At the request of Chair Gladbach, and noting that there were no audience members present, the E.O. skipped the swearing-in of speakers.

5 INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of January 13, 2016.
- b. Approved Operating Account Check Register for the month of January 2016.
- c. Received and filed update on pending proposals.
- d. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1074 to the Santa Clarita Sanitation District of Los Angeles County; Resolution No. 2016-03RMD

MOTION:	KUEHL
SECOND:	FINLAY
AYES:	CLOSE, DEAR, FINLAY, KUEHL, McCALLUM,

SPENCE, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: KNABE, KREKORIAN
MOTION PASSED: 7/0/0

7 PUBLIC HEARING(S)

The following item was called up for consideration:

- a. Annexation No. 2012-13 to the Los Angeles County Waterworks District No. 37 – Acton.

The E.O. summarized the staff report on Annexation No. 2012-13 to the Los Angeles County Waterworks District No. 37 – Acton.

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 Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 2012-13 to the Los Angeles County Waterworks District No. 37 – Acton; Resolution No. 2016-04RMD.
- Pursuant to Government Code Section 57002, set April 13, 2016 at 9:00 a.m., as the date and time for Commission protest proceedings.

MOTION: FINLAY
SECOND: DEAR
AYES: CLOSE, DEAR, FINLAY, KUEHL, McCALLUM,
SPENCE, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: KNABE, KREKORIAN
MOTION PASSED: 7/0/0

7 PUBLIC HEARING(S)

The following item was called up for consideration:

- b. Reorganization No. 2015-08 to the Greater Los Angeles County Vector Control District (Amendments to the Greater Los Angeles County Vector Control District and the Los Angeles County West Vector Control District Spheres of Influence (SOIs); Detachment from the Los Angeles County West Vector District, and Annexation the Greater Los Angeles County Vector Control District), For a Portion of the City of Gardena.

The E.O. summarized the staff report on Reorganization No. 2015-08 to the Greater Los Angeles County Vector Control District (Amendments to the Greater Los Angeles County Vector Control District and the Los Angeles County West Vector Control District Spheres of Influence (SOIs); Detachment from the Los Angeles County West Vector District, and Annexation the Greater Los Angeles County Vector Control District), For a Portion of the City of Gardena.

The E.O. noted that, at present, the overwhelming majority of the territory in the City of Gardena is within the boundaries of the Greater Los Angeles County Vector Control District, and only a small, 200-acre area, is within the boundaries of the Los Angeles County West Vector Control District; further, the proposed SOIs amendments, detachment, and annexation create a more logical boundary, with all of Gardena being within the boundaries of the Greater Los Angeles County Vector Control District.

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 Making Determinations, including the California Environmental Quality Act determinations, Approving Reorganization No. 2015-08 to the Greater Los Angeles County Vector Control District (Amendments to the Greater Los Angeles County Vector Control District and the Los Angeles County West Vector Control District Spheres of Influence (SOIs); Detachment from the Los Angeles County West Vector District, and Annexation the Greater Los Angeles County Vector Control District), For a Portion of the City of Gardena; Resolution No. 2016-05RMD.
- Pursuant to Government Code Section 57002, set April 13, 2016 at 9:00 a.m., as the date and time for Commission protest proceedings.

MOTION:	DEAR
SECOND:	SPENCE
AYES:	CLOSE, DEAR, FINLAY, KUEHL, McCALLUM,

SPENCE, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: KNABE, KREKORIAN
MOTION PASSED: 7/0/0

[Supervisors Knabe and Antonovich arrived at 9:10 a.m.]

7 PUBLIC HEARING(S)

The following item was called up for consideration:

- c. Annexation No. 1073 to the Santa Clarita Valley Sanitation District of Los Angeles County.

The E.O. summarized the staff report on Annexation No. 1073 to the Santa Clarita Valley Sanitation District of Los Angeles County.

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 Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 1073 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2016-06RMD.
- Pursuant to Government Code Section 57002, set April 13, 2016 at 9:00 a.m., as the date and time for Commission protest proceedings.

MOTION: KNABE
SECOND: FINLAY
AYES: CLOSE, DEAR, FINLAY, KNABE, KUEHL, McCALLUM,
SPENCE, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: KREKORIAN
MOTION PASSED: 8/0/0

8 PROTEST HEARING(S)

None.

9 OTHER ITEMS

The following item was called up for consideration:

- a. Legislative Update.

The E.O. summarized the staff report on the Legislative Update.

The Commission took the following action:

- Received and Filed.

MOTION:	KUEHL
SECOND:	DEAR
AYES:	CLOSE, DEAR, FINLAY, KNABE, KUEHL, McCALLUM, SPENCE, GLADBACH
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	KREKORIAN
MOTION PASSED:	8/0/0

9 OTHER ITEMS

The following item was called up for consideration:

- b. Rescission of Previously Adopted Rules and Regulations Affecting Functions and Services of Special Districts.

The E.O. summarized the staff report on Rescission of Previously Adopted Rules and Regulations Affecting Functions and Services of Special Districts.

The Commission took the following action:

- Rescinded the "Rules and Regulations Affecting Functions and Services of Special Districts."

MOTION:	SPENCE
SECOND:	FINLAY
AYES:	CLOSE, DEAR, FINLAY, KNABE, KUEHL, McCALLUM, SPENCE, GLADBACH
NOES:	NONE
ABSTAIN:	NONE

ABSENT: KREKORIAN
MOTION PASSED: 8/0/0

10 COMMISSIONERS' REPORT

Commissioner Dear stated he attended the Coalition of California LAFCOs (CCL) Southern Region meeting on January 25, 2016. Commissioner Dear stated the Board Members voted to eliminate the CCL, and that the January 25th meeting was the last CCL meeting.

Commissioner McCallum stated he attended the CALAFCO Board of Directors meeting on February 5, 2016.

Chair Gladbach stated he also attended the CCL Southern Region meeting on January 25th. Chair Gladbach is pleased that CCL will be eliminated, and that the CALAFCO Southern Region will be the voice of Southern California LAFCOs.

11 EXECUTIVE OFFICER'S REPORT

The E.O. stated that each of the Commissioners received a copy of the, "News from the Board of Directors, CALAFCO Quarterly."

Commissioner Finlay asked the E.O. to provide a status update regarding the City of Baldwin Park annexing into the San Gabriel Valley Mosquito and Vector Control District (District). The E.O. stated that the Baldwin Park City Council (City Council) will meet on February 17th to discuss a possible survey asking the residents of the City of Baldwin Park if they would be supportive of annexation into the District. The E.O. stated he plans to attend the meeting as a member of the audience. The E.O. stated he will report back to the Commission regarding the outcome of the February 17th City Council meeting.

Commissioner Spence stated he will volunteer to speak with members of the South Pasadena City Council to encourage the City of South Pasadena to annex into a vector control district.

12 PUBLIC COMMENT

None.

13 FUTURE MEETINGS

March 9, 2016
April 13, 2016
May 11, 2016
June 8, 2016

Minutes
February 10, 2016
Page 8

14 FUTURE AGENDA ITEMS

None.

15 ADJOURNMENT MOTION

On motion of Commissioner Finlay, seconded by Commissioner Spence, the meeting was adjourned at 9:23 a.m.

Respectfully submitted,

Paul A. Novak, AICP, Executive Officer

8:21 AM

03/01/16

Accrual Basis

LAFCO 03 Register Report February 2016

Type	Date	Num	Name	Memo	Amount	Balance
10000 Cash Unrestricted						
10003 Operating Account						
Check	02/02/2016	46858...	ADP	Processsing charges fo...	-132.13	-132.13
Bill Pmt -Check	02/04/2016	7875	Charter Communications	Acct # 8245100171576...	-464.40	-596.53
Bill Pmt -Check	02/04/2016	7876	Digitronix One*	Project#Canon IR3380	-167.37	-763.90
Bill Pmt -Check	02/04/2016	7877	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-888.90
Bill Pmt -Check	02/04/2016	7878	LACERA	LAFCO OPEB: January...	-905.40	-1,794.30
Bill Pmt -Check	02/04/2016	7879	Los Angeles County Assessor*	Annexation No: 2015-10	-40.00	-1,834.30
Bill Pmt -Check	02/04/2016	7880	Office Depot*		-116.49	-1,950.79
Bill Pmt -Check	02/11/2016	7881	Certified Records Managment	Storage period 02/01/1...	-477.69	-2,428.48
Bill Pmt -Check	02/11/2016	7882	CoreLogic	Acct#200-694038-RR6...	-88.80	-2,517.28
Bill Pmt -Check	02/11/2016	7883	CTS Glendale	LAFCO - Monthly service	-1,266.85	-3,784.13
Bill Pmt -Check	02/11/2016	7884	Daily Journal	Cust#1124120362	-20.50	-3,804.63
Bill Pmt -Check	02/11/2016	7885	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-3,929.63
Bill Pmt -Check	02/11/2016	7886	Office Depot*		-108.76	-4,038.39
Bill Pmt -Check	02/11/2016	7887	Ricoh Americas Corp	036-0027688-000	-1,570.56	-5,608.95
Bill Pmt -Check	02/11/2016	7888	Ricoh USA, Inc.	Cust#13725307, 11/01/...	-612.22	-6,221.17
Bill Pmt -Check	02/11/2016	7889	Western Graphix	PO#Wood	-33.70	-6,254.87
Bill Pmt -Check	02/11/2016	7890	White Nelson Diehl Evans	LOS0006, 2nd Interim ...	-250.00	-6,504.87
Check	02/12/2016	DM	Ambar De La Torre	Salary, February 12, 2...	-1,695.57	-8,200.44
Check	02/12/2016	DM	Douglass Dorado	Salary, February 12, 2...	-2,514.79	-10,715.23
Check	02/12/2016	DM	Michael E. Henderson	Salary, February 12, 2...	-2,050.03	-12,765.26
Check	02/12/2016	DM	Patricia Knoebi-Wood	Salary, February 12, 2...	-1,261.73	-14,026.99
Check	02/12/2016	DM	Paul Novak	Salary, February 12, 2...	-4,412.38	-18,439.37
Check	02/12/2016	DM	Alisha O'Brien	Salary, February 12, 2...	-1,884.60	-20,323.97
Check	02/12/2016	DM	June D. Savala	Salary, February 12, 2...	-3,669.50	-23,993.47
Check	02/12/2016	DM	Federal Tax Deposit	Payroll Taxes, Februar...	-4,547.98	-28,541.45
Check	02/12/2016	DM	State Income Tax	Payroll Taxes, Februar...	-1,173.40	-29,714.85
Bill Pmt -Check	02/18/2016	7891	Daily Journal	Cust#1124120362	-26.25	-29,741.10
Bill Pmt -Check	02/18/2016	7892	FedEx*	Acct#1244-7035-8	-34.64	-29,775.74
Bill Pmt -Check	02/18/2016	7893	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-29,900.74
Bill Pmt -Check	02/18/2016	7894	LACERA	Employee/Employer c...	-11,455.47	-41,356.21
Bill Pmt -Check	02/18/2016	7895	Mail Finance	Cust#416653, 12-Mar...	-126.42	-41,482.63
Bill Pmt -Check	02/18/2016	7896	Office Depot*		-421.63	-41,904.26
Check	02/19/2016	46913...	ADP	EZLabor Manager- Feb...	-52.50	-41,956.76
Bill Pmt -Check	02/24/2016	7897	80 South Lake LLC	NO000758-1	-7,331.22	-49,287.98
Bill Pmt -Check	02/24/2016	7898	ATT	Acct#990566760, 01/1...	-265.92	-49,553.90
Bill Pmt -Check	02/24/2016	7899	Bank of America*		-806.75	-50,360.65
Bill Pmt -Check	02/24/2016	7900	CTS Glendale		-1,100.00	-51,460.65
Bill Pmt -Check	02/24/2016	7901	Daily Journal	Cust#1124120362	-25.25	-51,485.90
Bill Pmt -Check	02/24/2016	7902	Edward J. Gladbach	Reimbursement: Month...	-193.20	-51,679.10
Bill Pmt -Check	02/24/2016	7903	Gina Duche	Bookkeeping: 3.0 Hrs	-75.00	-51,754.10
Bill Pmt -Check	02/24/2016	7904	Motor Parks	Cust#025-001, Unreser...	-630.00	-52,384.10
Bill Pmt -Check	02/24/2016	7905	Tropical Interior Plants	Service: January 2016	-100.00	-52,484.10
Check	02/29/2016	30457...	Michael D. Antonovich	Stipend, February 1-29, ...	-105.19	-52,589.29
Check	02/29/2016	30457...	Lori W. Brogin	Stipend, February 29, 2...	-147.83	-52,737.12
Check	02/29/2016	30457...	Richard Close	Stipend, February 29, 2...	-147.83	-52,884.95
Check	02/29/2016	DM	Donald L. Dear	Stipend, February 29, 2...	-147.83	-53,032.78
Check	02/29/2016	30457...	Margaret E. Finlay	Stipend, February 29, 2...	-147.83	-53,180.61
Check	02/29/2016	30457...	Edward G. Gladbach	Stipend, February 29, 2...	-147.83	-53,328.44
Check	02/29/2016	30457...	Donald Knabe	Stipend, February 29, 2...	-147.83	-53,476.27
Check	02/29/2016	30457...	Sheila A Kuehl	Stipend, February 29, 2...	-136.40	-53,612.67
Check	02/29/2016	DM	Gerard McCaillum II	Stipend, February 29, 2...	-147.83	-53,760.50
Check	02/29/2016	30457...	Judith Mitchell	Stipend, February 29, 2...	-147.82	-53,908.32
Check	02/29/2016	30457...	Greig L. Smith	Stipend, February 29, 2...	-147.83	-54,056.15
Check	02/29/2016	DM	David Spence	Stipend, February 29, 2...	-147.83	-54,203.98
Check	02/29/2016	DM	Federal Tax Deposit	Payroll Taxes, Februar...	-72.22	-54,276.20
Check	02/29/2016	DM	State Income Tax	Payroll Taxes, Februar...	-10.00	-54,286.20
Check	02/29/2016	DM	Ambar De La Torre	Salary, February 29, 20...	-1,695.57	-55,981.77
Check	02/29/2016	DM	Douglass Dorado	Salary, February 29, 20...	-2,514.80	-58,496.57
Check	02/29/2016	DM	Michael E. Henderson	Salary, February 29, 20...	-2,050.02	-60,546.59
Check	02/29/2016	DM	Patricia Knoebi-Wood	Salary, February 29, 20...	-1,099.12	-61,645.71
Check	02/29/2016	DM	Paul Novak	Salary, February 29, 20...	-4,262.37	-65,908.08
Check	02/29/2016	DM	Alisha O'Brien	Salary, February 29, 20...	-1,884.60	-67,792.68
Check	02/29/2016	DM	June D. Savala	Salary, February 29, 20...	-3,669.50	-71,462.18
Check	02/29/2016	DM	Federal Tax Deposit	Payroll Taxes, Februar...	-4,693.21	-76,155.39
Check	02/29/2016	DM	State Income Tax	Payroll Taxes, Februar...	-1,173.40	-77,328.79
Total 10003 Operating Account					-77,328.79	-77,328.79
Total 10000 Cash Unrestricted					-77,328.79	-77,328.79
TOTAL					-77,328.79	-77,328.79

AGENDA ITEM NO. 6c - March 9, 2016						
PENDING PROPOSALS AS OF MARCH 2, 2016						
		LAFCO Designation	Applicant	Description	Status	Est. Date of Completion
1	AOB	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.	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	5/16/2006 Unknown
2	AOB	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.	Incomplete filing: CEQA, registered voter labels, landowner labels, and approved map and legal.	10/5/2006 Unknown
3	AOB	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamari 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	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	12/1/2006 Unknown
4	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.	Notice of Filing sent 6-6-07 Incomplete filing: property tax transfer resolution, registered voter and landowner labels, map of limiting addresses, and list of limiting addresses.	1/4/2007 Unknown
5	AOB	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	Notice of Filing sent 05/28/08. Incomplete filing: property tax transfer resolution.	1/4/2008 Unknown
6	AOB	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 frw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Notice of Filing sent 04/22/09. Incomplete filing: property tax transfer resolution, and CEQA.	9/22/2008 Unknown
7	AOB	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	Notice of Filing sent 02/24/09. Incomplete filing: property tax transfer resolution and CEQA	12/5/2008 Unknown
8	AOB	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.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010 Unknown
9	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.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal	10/25/2010 Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
10	AOB	Reorganization 2011-16 (Tesoro del Valle)	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.	Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution.	5/5/2011	Unknown
11	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.	Notice of Filing sent 2-15-12. Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, map of limiting addresses, list of limiting addresses, and approved map and legal.	12/8/2011	Unknown
12	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.	Notice of Filing sent 12-29-11. Incomplete filing: property tax transfer resolution, stamped NOD, map of limiting addresses, approved map and legal.	12/27/2011	Unknown
13	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.	Notice of Filing sent 3-22-12. Incomplete filing: property tax transfer resolution, inadequate CEQA, maps of limiting addresses, list of limiting addresses, and approved map and legal. DUC adjacent.	3/8/2012	Unknown
14	AOB	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 bordered by other residential tracts and by vacant land.	Protest Hearing on April 13, 2016	1/31/2013	Apr-2016
15	AOB	Reorganization No. 2013-01 to Newhall County Water District (Castaic High School)	Newhall County Water District	Detach from Los Angeles County Waterworks District No. 36, Val Verde and annex to Newhall County Water District. Located at the northwest corner of Romero Canyon Road and Canyon Hill Road, in the unincorporated community of Castaic.	Notice of Filing sent 06-19-13. Incomplete filing: property tax transfer resolution and approved map and legal.	4/3/2013	Unknown
16	DD	Reorganization No. 2013-04 City of Rolling Hills	City of Rolling Hills	The application involves approximately .54 acres of uninhabited territory. The subject territory is generally located at the intersection of Silver Spur Road and Crenshaw Blvd in the City of Rolling Hills.	March Agenda	6/26/2013	Apr-2016

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
17	DD	Annexation 2014-04 to the City of Calabasas	City of Calabasas	annex approximately 43.31± acres of uninhabited territory to the City of Calabasas. The affected territory is generally located along Agoura Road between Liberty Canyon Road and Malibu Hills Road, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills and Calabasas.	Notice of Filing sent 3-20-14 Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, radius map, landowner and registered voter labels, landowner consent letter, approved map and legal	3/18/2014	Unknown
18	AOB	Reorganization No. 2014-06 to Los Angeles County Waterworks District No. 29, Malibu	NSRS Trust	Detach 2 acres located on Palm Canyon Lane, unincorporated territory, from Las Virgenes Municipal Water District and annex said territory to Los Angeles County Waterworks District No. 29, Malibu.	Notice of Filing sent 06-19-14. Incomplete filing: property tax transfer resolution, CEQA, and approved map and legal.	5/21/2014	Unknown
19	AOB	Annexation No. 2014-09 to Los Angeles County Waterworks District No. 36, Val Verde (Los Valles Development)	SFI Los Valles LLC	SOI Amendment and Annexation of 10± acres located north of Halsey Canyon Road and Los Valles Drive, all within unincorporated territory of Castaic	Notice of Filing sent 10-02-14. Incomplete filing: property tax transfer resolution, CEQA, and approved map and legal.	7/15/2014	Unknown
20	AOB	Annexation No. 2014-13 to Los Angeles County Waterworks District No. 40, Antelope Valley	Lebata, Inc.	310.96 acres located near Avenue T and 126th Street East, in unincorporated County territory, near the community of Pearblossom. Install and operate a new sand and gravel mining operation.	Notice of Filing sent 09-30-14 Incomplete filing: property tax transfer resolution, CEQA, radius labels, mailing labels of landowners and registered voters, approved map and legal.	9/29/2014	Unknown
21	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, radius map, mailing labels of landowners and registered voters, approved map and legal.	12/10/2014	Unknown
22	AOB	Reorganization No. 2015-08 to Greater Los Angeles County Vector Control District	Greater Los Angeles County Vector Control District	200.2± acres. Portion of the City of Gardena, east of Crenshaw Blvd., north of 147th St. and north of Rosecrans Blvd., west of Hobart Blvd. Detachment from Los Angeles County West Vector Control District and Annexation to Greater Los Angeles County Vector Control District.	Protest Hearing on April 13, 2016.	3/19/2015	Apr-2016
23	AD	Annexation 745 to District No. 21	Sanitation Districts	25.260 acres. Located on Wheeler Avenue, approximately 1/4-mile south of its intersection with Arrow Highway, all within the City of La Verne.	March Agenda	5/18/2015	Apr-2016
24	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1073	Sanitation Districts	245.042 acres. Located at the terminus of Golden Valley Road, northeast of Newhall Ranch Road, north of Soledad Canyon Road, and south of Bouquet Canyon Road, all within the City of Santa Clarita.	Protest- April Agenda	6/16/2015	Apr-2016

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
25	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1075	Sanitation Districts	0.762 acres. Located on Live Oak Springs Canyon Road at Eaglehelm Drive, all within the City of Santa Clarita.	March Agenda	6/16/2015	Apr-2016
26	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1076	Sanitation Districts	0.4 acres. Located at the terminus of Bakerton Avenue at its intersection with Darter Drive, all within the City of Santa Clarita.	March Agenda	6/16/2015	Apr-2016
27	DD	Annexation No. 2015-11 to the City of Palmdale (Desert View Highlands)	City of Palmdale	284 acres inhabited territory. Generally located north and south of Elizabeth Lake Road between Amargosa Creek and 10th street west, in Los Angeles County unincorporated territory surrounded by the City of Palmdale	Notice of Filing sent 9-22-15 Incomplete filing: property tax resolution, attachment 'A' plan for municipal services, CEQA (NOD), party disclosure, pre-zoning, map of limiting addresses, registered voter info	9/15/2015	Unknown
28	DD	Annexation No. 2015-09 to the City of Pomona	City of Pomona	5.76 acres uninhabited territory. Located south of Valley Blvd approximately 2500' east of Grand Ave, adjacent to the City of Industry and Pomona.	Notice of Filing sent 9-23-15 Incomplete filing: property tax transfer resolution, attachment "A" plan for municipal services, CEQA, party disclosure, pre-zoning, limiting addresses, map of limiting addresses, radius map, registered voter labels within affected territory, registered voters within 300' radius, landowners within affected territory, landowners within 300' radius, map and legal not approved	9/22/2015	Unknown
29	AOB	Annexation No. 2015-06 to the Newhall County Water District	Newhall County Water District	0.10 acres uninhabited territory. Located south of Newhall Ranch Road, west of Copper Hill Drive, in the City of Santa Clarita. Existing booster station facility.	Notice of Filing sent 10-14-15. Incomplete filing: property tax transfer resolution, map and legal not approved.	9/24/2015	Unknown
30	AOB	Annexation No. 2015-07 to the Newhall County Water District	Newhall County Water District	2.43 acres uninhabited territory. Located south of the Antelope Valley Freeway (SR-14), east of Sand Canyon Road, in the City of Santa Clarita. Construction of a water well.	Notice of Filing sent 10-14-15. Incomplete filing: property tax transfer resolution, map and legal not approved.	9/24/2015	Unknown
31	AD	Annexation 418 to District No. 14	Sanitation Districts	4.744 acres. Located on Avenue L approximately 900 feet west of Sierra Highway, all within the City of Lancaster.	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	10/28/2015	Unknown
32	AD	Annexation 419 to District No. 14	Sanitation Districts	1.498 acres. Located on Avenue M-2 approximately 50 feet west of Shain Lane, all within unincorporated Los Angeles County.	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	10/28/2015	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
33	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1078	Sanitation Districts	1.179 acres. East of the intersection of Stallion Pl and The Old Rd within the unincorporated territory of castaic.	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	10/28/2015	Unknown
34	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	11/2/2015	Unknown
35	AD	Annexation 30 to District No. 16	Sanitation Districts	0.69 acres. Located on New York Drive approximately 800 feet southeast of Bradley Street, all within unincorporated Los Angeles County.	Notice of Filing sent 11-16-15 Incomplete filing: property tax transfer resolution.	11/9/2015	Unknown
36	AD	Annexation 746 to District No. 21	Sanitation Districts	1.32 acres. Located on Mills Avenue approximately 200 feet north of Alamosa Drive, all within the City of Claremont.	Notice of Filing sent 11-16-15 Incomplete filing: property tax transfer resolution.	11/9/2015	Unknown
37	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1077	Sanitation Districts	1.96 acres. Located on Sierra Highway at American Beauty Drive, all within the City of Santa Clarita.	Notice of Filing sent 12-22-15 Incomplete filing: property tax transfer resolution.	12/21/2015	Unknown
38	AD	Annexation 747 to District No. 21	Sanitation Districts	0.78 acres. Located on Glen Way approximately 400 feet north of Baseline Road, all within unincorporated Los Angeles County.	Notice of Filing sent 01-06-16 Incomplete filing: property tax transfer resolution.	1/4/2016	Unknown
39	AD	Annexation 748 to District No. 21	Sanitation Districts	0.8 acres. Located on the northwest corner of Towne avenue and Richbrook Drive, all within the City of Pomona.	Notice of Filing sent 01-06-16 Incomplete filing: property tax transfer resolution.	1/4/2016	Unknown
40	AD	Annexation 423 to District No. 22	Sanitation Districts	0.91 acres. Located at the terminus of Via Romales, all within the City of San Dimas.	Notice of Filing sent 01-06-16 Incomplete filing: property tax transfer resolution.	1/4/2016	Unknown
41	AD	Annexation 424 to District No. 22	Sanitation Districts	14.96 acres. Located on San Dimas Canyon Road south of Caballo Ranch Road, all within the City of La Verne.	Notice of Filing sent 01-06-16 Incomplete filing: property tax transfer resolution.	1/4/2016	Unknown
42	AOB	Out-of-Agency Service Agreement No. 2016-02 between CV Communities LLC and the Los Angeles County Waterworks District No. 40- Antelope Valley (Joshua Ranch)	CV Communities LLC	The affected territory is generally located north of Elizabeth Lake Road and south of the California Aqueduct, between 30th Street West and 50th Street West, all within the City of Palmdale. The affected territory consists of 793± acres of uninhabited territory. The out-of-agency service agreement would allow the Los Angeles County Waterworks District No. 40 -Antelope Valley, to provide water service to the landowner/applicant (CV Communities, LLC).	March Agenda	1/21/2016	March 9, 2016 agenda

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
43	DD	Reorganization No. 2015-14 to the City of Pomona	City of Pomona	5.1 acres uninhabited territory. Located south of Valley Blvd approximately 2500' east of Grand Ave. adjacent to the City of Industry and Pomona.	Notice of Filing sent 2-2-15 Incomplete filing: property tax transfer resolution, attachment "A" plan for municipal services, party disclosure, map of limiting addresses, registered voter labels within affected territory, registered voters within 300' radius, landowners within affected territory, landowners within 300' radius, map and legal not approved	1/28/2016	Unknown
44	AOB	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing has not been sent out. Awaiting review of map and legal.	2/22/2016	Unknown

Staff Report

March 9, 2016

Agenda Item No. 6.d.

Annexation No. 1075 to Santa Clarita Valley Sanitation District of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	0.762± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Santa Clarita Valley Sanitation District of Los Angeles County
Resolution or Petition:	May 20, 2015
Application Filed with LAFCO:	June 16, 2015
Location:	The affected territory is located on Live Oak Springs Canyon Road at Eaglehelm Drive, all within the City of Santa Clarita.
City/County:	City of Santa Clarita.
Affected Territory:	The affected territory consists of one existing single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential.
Landowner(s):	John L. and Tracey T. Van Zeen
Registered Voters:	1 registered voter as of June 10, 2015.
Purpose/Background:	For the district to provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes
Waiver of Notice/Hearing/Protest:	Yes

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning. A Categorical Exemption was adopted by the Santa Clarita Valley Sanitation District of Los Angeles County, as lead agency, on May 20, 2015.

Additional Information:

None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 1 resident as of June 10, 2015. The population density is 1.31 persons per acre.

The estimated future population is 1 resident (no anticipated change).

The affected territory is 0.762+/- acres. The existing land use consists of one existing single-family home.

The assessed valuation is \$327,383 as of June 10, 2015.

The per capita assessed valuation is \$327,383.

On December 8, 2015, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries.

There are no drainage basins on or near the affected territory.

The affected territory is surrounded by populated areas on all sides.

The affected territory is likely to experience no growth in the next ten years. The adjacent areas are likely to experience no growth in the next ten years.

b. Governmental Services and Controls:

The affected territory includes one existing single-family home which requires organized governmental services.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, the only alternative is private septic systems. The cost of sewage disposal by the District versus the cost by septic system 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 and Alternative Actions:*

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the local governmental structure of the County.

The only alternate action for sewage disposal is a private septic system. 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 Policies on Urban Development and Open Space Conversion Policies:*

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

f. *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.

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

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 Regional Transportation Plan:*

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

h. *Consistency with Plans:*

The proposal is consistent with the existing City's General Plan designation of Rural Residential (RR5).

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the Santa Clarita Valley Sanitation District of Los Angeles County.

j. *Comments from Public Agencies:*

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. *Ability to Provide Services:*

Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the 2015 Santa Clarita Joint Sewerage System Facilities Plan and EIR.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery.

m. *Regional Housing:*

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).

n. *Comments from Landowners, Voters, or Residents:*

Staff did not receive any significant comments from landowners, voters, or residents.

o. *Land Use Designations*

The proposal is consistent with the existing City's General Plan designation of Rural Residential (RR5).

The proposal is consistent with the existing City's zoning designation of Residential Very Low Density.

p. *Environmental Justice:*

All of 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.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF 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 herein. 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). Furthermore, 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 make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Santa Clarita Valley Sanitation District of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

Recommended Action:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1075 to Santa Clarita Valley Sanitation District of Los Angeles County.

**RESOLUTION NO. 2016-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 1075 TO THE SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY"**

WHEREAS, the Santa Clarita Valley Sanitation District (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Santa Clarita; and

WHEREAS, the proposed annexation consists of approximately 0.762± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 1075 to the Santa Clarita Valley Sanitation District of Los Angeles County"; 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 principal reason for the proposed annexation is for the District to provide off-site sewage disposal for one existing single-family home; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, the Executive Officer set the item for consideration for March 9, 2016 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on March 9, 2016, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 1075 to the Santa Clarita Valley Sanitation District of Los Angeles County, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation 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 annexation was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
- 4. The affected territory consists of 0.762± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 1075 to the Santa Clarita Valley Sanitation District of Los Angeles County".
- 5. Annexation No. 1075 to the Santa Clarita Valley Sanitation District of Los Angeles County is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
 - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
 - e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
 - h. Except to the extent in conflict with "a" through "g", 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.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Santa Clarita Valley Sanitation District of Los Angeles County.

7. The Executive Officer is directed to transmit a copy of this resolution to 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 this 9th day of March 2016.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:





MOTION PASSES: 0/0/0

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

**Paul A. Novak, AICP
Executive Officer**



Legend

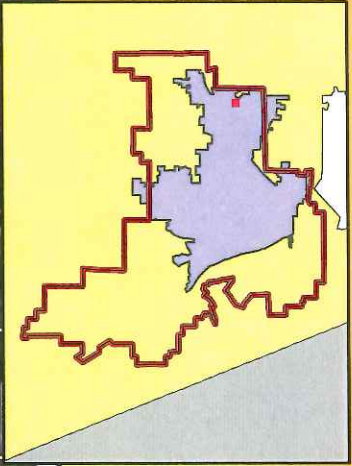
-  CSD Annexation SCV-1075
-  City of Santa Clarita
-  Santa Clarita Valley Sanitation District of Los Angeles County
-  Sphere of Influence, CSD SCV



**Annexation No. 1075 to the
Santa Clarita Valley Sanitation
District of Los Angeles County**



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



Staff Report

March 9, 2016

Agenda Item No. 6.e.

Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	0.4± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Santa Clarita Valley Sanitation District of Los Angeles County
Resolution or Petition:	May 20, 2015
Application Filed with LAFCO:	June 16, 2015
Location:	The affected territory is located at the terminus of Bakerton Avenue at its intersection with Darter Drive, all within the City of Santa Clarita.
City/County:	City of Santa Clarita.
Affected Territory:	The affected territory consists of one existing single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential.
Landowner(s):	Donald J. and Darlene D. Trousdale
Registered Voters:	2 registered voters as of June 10, 2015
Purpose/Background:	For the district to provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes
Waiver of Notice/Hearing/Protest:	Yes

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning. A Categorical Exemption was adopted by the Santa Clarita Valley Sanitation District of Los Angeles County, as lead agency, on May 20, 2015.

Additional Information:

None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 3 residents as of June 10, 2015. The population density is 7.50 persons per acre.

The estimated future population is 3 residents (no anticipated change).

The affected territory is 0.4+/- acres. The existing land use consists of one existing single-family home.

The assessed valuation is \$209,934 as of June 10, 2015.

The per capita assessed valuation is \$69,978.00.

On December 8, 2015, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries.

There are no drainage basins on or near the affected territory.

The affected territory is surrounded by populated areas to the north, south and west. The affected territory is likely to experience no growth in the next ten years. The adjacent areas are likely to experience no growth in the next ten years.

b. Governmental Services and Controls:

The affected territory includes one existing single-family home which requires organized governmental services.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, the only alternative is private septic systems. The cost of sewage disposal by the District versus the cost by septic system 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 and Alternative Actions:

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the local governmental structure of the County.

The only alternate action for sewage disposal is a private septic system. 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 Policies on Urban Development and Open Space Conversion Policies:*

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

f. *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.

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

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 Regional Transportation Plan:*

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

h. *Consistency with Plans:*

The proposal is consistent with the existing City's General Plan designation of Urban Residential 2.

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the Santa Clarita Valley Sanitation District of Los Angeles County.

j. *Comments from Public Agencies:*

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. *Ability to Provide Services:*

Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the 2015 Santa Clarita Joint Sewerage System Facilities Plan and EIR

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery.

m. *Regional Housing:*

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).

n. *Comments from Landowners, Voters, or Residents:*

Staff did not receive any significant comments from landowners, voters, or residents.

o. *Land Use Designations*

The proposal is consistent with the existing City's General Plan designation of Urban Residential 2.

The proposal is consistent with the existing City's zoning designation of Single-Family Residential.

p. *Environmental Justice:*

All of 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.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF 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 herein. 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). Furthermore, 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 make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Santa Clarita Valley Sanitation District of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

Recommended Action:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1075 to Santa Clarita Valley Sanitation District of Los Angeles County.

**RESOLUTION NO. 2016-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 1076 TO THE SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY"**

WHEREAS, the Santa Clarita Valley Sanitation District (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Santa Clarita; and

WHEREAS, the proposed annexation consists of approximately 0.4± acres of uninhabited territory and is assigned the following distinctive short-form designation:

"Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County"; 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 principal reason for the proposed annexation is for the District to provide off-site sewage disposal for one existing single-family home; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, the Executive Officer set the item for consideration for March 9, 2016 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on March 9, 2016, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation 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 annexation was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
- 4. The affected territory consists of 0.4± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County".
- 5. Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
 - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
 - e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
 - h. Except to the extent in conflict with "a" through "g", 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.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Santa Clarita Valley Sanitation District of Los Angeles County.

7. The Executive Officer is directed to transmit a copy of this resolution to 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 this 9th day of March 2016.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:





MOTION PASSES: 0/0/0

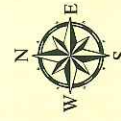
**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Paul A. Novak, AICP
Executive Officer**



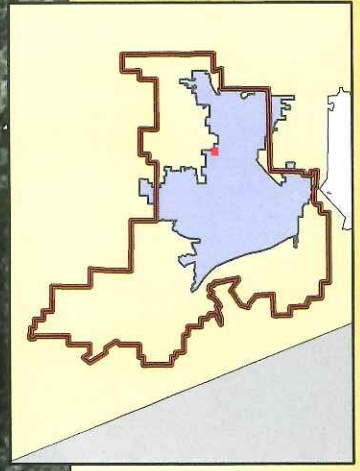
Legend

-  CSD Annexation SCV-1076
-  Santa Clarita Valley Sanitation District of Los Angeles County
-  City of Santa Clarita
-  Sphere of Influence, CSD SCV



Annexation No. 1076 to the Santa Clarita Valley Sanitation District of Los Angeles County

LAFCO
Local Agency Formation Commission
for the County of Los Angeles



Staff Report

March 9, 2016

Agenda Item No. 7.a.

Annexation No. 745 to the Los Angeles County Sanitation District No. 21, Amendment to the Los Angeles County Sanitation District No. 21 Sphere of Influence (SOI)

PROPOSAL SUMMARY:

Size of Affected Territory:	25.260± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Los Angeles County Sanitation District No. 21
Resolution or Petition:	April 22, 2015
Application Filed with LAFCO:	May 18, 2015
Location:	The affected territory is located at the northeast corner of wheeler Avenue and Puddingstone Dr., all within the City of La Verne.
City/County:	City of La Verne.
Affected Territory:	The affected territory is currently vacant. The affected territory will be developed to include one pharmaceutical manufacturing facility. The topography is flat.
Surrounding Territory:	Surrounding territory is commercial and residential.
Landowner(s):	CT La Verne Partners LLC
Registered Voters:	0 registered voters as of May 4, 2015
Purpose/Background:	For the district to provide off-site sewage disposal service.
Related Jurisdictional Changes:	A sphere of influence amendment to Los Angeles County Sanitation District No. 21 is required.
Within SOI:	No

Waiver of Notice/Hearing/Protest: Yes on the basis of the annexation. Although the Commission may make a determination without public notice and hearing and waive protest proceedings, relative to the proposed annexation, as described below, a noticed public hearing is required for the proposed SOI amendment, pursuant to Government Code Section 56427.

CEQA Clearance: The California Environmental Quality Act (CEQA) clearance is a Mitigated Negative Declaration adopted by the City of La Verne, as lead agency, on April 2012, and Gilead La Verne Campus project, Addendum to the La Verne Technology Center Initial Study-Mitigated Negative Declaration adopted by the City of La Verne as lead agency, on July 2014.

Additional Information: None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 0 residents as of May 4, 2015.

The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 0 residents (no anticipated change).

The affected territory is 25.260+/- acres. The proposed/future land use will be developed to include one pharmaceutical manufacturing facility.

The assessed valuation is \$7,015,000 as of May 4, 2015.

The per capita assessed valuation issue does not apply because the affected territory is unpopulated.

On December 8, 2015, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

Puddingstone Reservoir is to the south and west of the affected territory. There are no drainage basins on or near the affected territory.

The surrounding territory is populated to the north and east of the affected territory. The affected territory is likely to experience modest growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

b. Governmental Services and Controls:

The affected territory will be developed to include one pharmaceutical manufacturing facility which require organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, the only alternative is private septic systems. The cost of sewage disposal by the District versus the cost by septic system 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 and Alternative Actions:*

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the local governmental structure of the County.

The only alternate action for sewage disposal is a private septic system. 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 Policies on Urban Development and Open Space Conversion Policies:*

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

f. *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.

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

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 Regional Transportation Plan:*

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

h. *Consistency with Plans:*

The proposal is consistent with the existing City's General Plan designation of Commercial/Business Park.

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.

i. *Sphere of Influence:*

The affected territory is not within the Sphere of Influence of the Los Angeles County Sanitation District No. 21, but a concurrent Sphere of Influence Update is being processed with this application.

j. *Comments from Public Agencies:*

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. *Ability to Provide Services:*

Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery.

m. *Regional Housing:*

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).

n. *Comments from Landowners, Voters, or Residents:*

Staff did not receive any significant comments from landowners, voters, or residents.

o. *Land Use Designations*

The proposal is consistent with the existing City's General Plan designation of Commercial/Business Park.

The proposal is consistent with the existing City's zoning designation of Business Park (BP).

p. *Environmental Justice:*

The owner of real property within the affected territory has 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.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The CEQA clearance is a Mitigated Negative Declaration adopted by the City of La Verne, as lead agency, on April 2012, and Gilead La Verne Campus project, Addendum to the La Verne Technology Center Initial Study-Mitigated Negative Declaration adopted by the City of La Verne as lead agency, on July 2014. The Commission is a responsible agency pursuant to CEQA and State CEQA Guidelines Section 15096.

DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF 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 herein. 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). Furthermore, 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 make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

PUBLIC HEARING REQUIREMENT FOR SOI AMENDMENT(S):

Although the Commission may waive the public notice, hearing, and protest relative to the proposed annexation, as described above, a public hearing is still required for the proposed SOI amendment pursuant to Government Code Section 56427.

Therefore, the recommended actions include a public hearing on the SOI amendments and a waiver of the protest proceedings for the annexation.

SPHERE OF INFLUENCE AMENDMENT DETERMINATIONS PURSUANT TO GOVERNMENT CODE 56425(c):

1. Present and Planned Land Uses in the Area

The affected territory is currently vacant. The future planned land use will be developed to include one pharmaceutical manufacturing facility.

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

The affected territory is located within the City of La Verne. Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan.

The affected territory will be developed to include one pharmaceutical manufacturing facility which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

3. *Present Capacity of Public Facilities and Services:*

The current permitted capacity of the JOS is 630.2 mgd. On July 12, 1995, the Board of Directors of District No. 2 approved the 2010 Master Facilities Plan and certified the associated EIR. The 2010 Plan addresses the sewerage needs of the JOS service area through the year 2010 and the services planned to meet those needs. The 2010 plan allows the capacity of the JOS to increase to 630.2 mgd by 2010.

4. *Social of Economic communities of interest:*

The owner of real property within the affected territory has 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.

5. *Disadvantaged Unincorporated Communities:*

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

**SPHERE OF INFLUENCE AMENDMENT DETERMINATIONS PURSUANT TO
GOVERNMENT CODE 56425(i):**

The Commission has on file written statement of the functions and classes of service of the Los Angeles County Sanitation District No. 21 and can establish the nature, location and extent of its classes of service and that it provides services within its boundary.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Los Angeles County Sanitation District No. 21 which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

Recommended Action:

1. Open the public hearing and receive testimony on the proposed Sphere of Influence Amendment;
2. There being no further testimony, close the public hearing; and
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 745 to the Los Angeles County Sanitation District No. 21; Amendment to the Los Angeles County Sanitation District No. 21 Sphere of Influence.

**RESOLUTION NO. 2016-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 745 TO THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 21;
(AMENDMENT TO THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 21
SHERE OF INFLUENCE)"**

WHEREAS, the Los Angeles County Sanitation District No. 21 (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of La Verne; and

WHEREAS, the proposed annexation consists of approximately 25.260± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 745 to the Los Angeles County Sanitation District No. 21"; 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 principal reason for the proposed annexation is for the District to provide off-site sewage disposal to a proposed pharmaceutical manufacturing facility; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, even though a public hearing is not required for the Proposal, a public hearing is nevertheless required for the proposed SOI amendment(s), pursuant to Government Code Section 56427; and

WHEREAS, the Executive Officer has given notice of the public hearing for the proposed Sphere of Influence Amendment pursuant to Government Code Sections 56150-56160, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 12, 2016, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, on March 9, 2016, this Commission considered the Proposal and the report of Executive Officer, and 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 the Sphere of Influence Amendment.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Acting in its role as a responsible agency with respect to Annexation No. 745 to the Los Angeles County Sanitation District No. 21, pursuant to California Environmental Quality Act (CEQA) the Commission considered the Mitigated Negative Declaration prepared and adopted by the City of La Verne, as lead agency, on April 2012, and Gilead La Verne Campus project, Addendum to the La Verne Technology Center Initial Study-Mitigated Negative Declaration adopted by the City of La Verne as lead agency, on July 2014, together with any comments received during the public review process; certifies that the

Commission has independently reviewed and considered and reached its own conclusions regarding the environmental effects of the project as shown in the Mitigated Negative Declaration; and adopts the mitigation monitoring program for the project, finding that the mitigation monitoring program is adequately designed to ensure compliance with the mitigation measures during project implementation as applicable to the responsible agency.

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

- a. The territory encompassed by the annexation 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 annexation was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation proposal without notice and hearing and may waive protest proceedings relative to the proposed annexation. However, with respect to the proposed SOI amendment(s), a public hearing is still required pursuant to Government Code Section 56427.

3. The Commission hereby amends the Sphere of Influence of the Los Angeles County Sanitation District No. 21 and makes the following determinations in accordance with Government Code Section 56425:

a. Present and Planned Land Uses in the Area

The future planned land use is being developed to include one pharmaceutical manufacturing facility.

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

The affected territory is located within the City of La Verne. Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan. The affected territory will be developed to include one pharmaceutical manufacturing facility which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

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

The current permitted capacity of the JOS is 630.2 mgd. On July 12, 1995, the Board of Directors of District No. 2 approved the 2010 Master Facilities Plan and certified the associated EIR. The 2010 Plan addresses the sewerage needs of the

JOS service area through the year 2010 and the services planned to meet those needs. The 2010 plan allows the capacity of the JOS to increase to 630.2 mgd by 2010.

d. Existence of Any Social or Economic Communities of Interest

There are no significant social or economic communities of interest within the subject territory.

e. Disadvantaged Unincorporated Communities

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

f. Determination of the Services of the Existing District

The Commission has on file written statement of the functions and classes of service of the District and can establish the nature, location and extent of its classes of service and that it provides water service within its boundary.

4. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.

5. The affected territory consists of 25.260± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 745 to the Los Angeles County Sanitation District No. 21".

6. Annexation No. 745 to the Los Angeles County Sanitation District No. 21 is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- b. The effective date of the annexation shall be the date of recordation.
- c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
- d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
- e. The regular County assessment roll shall be utilized by the District.
- f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
- g. Annexation of the affected territory described in Exhibits "A" and "B" to the Los Angeles County Sanitation District No. 21.

- h. Except to the extent in conflict with "a" through "g", 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.
- 7. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the District.
- 8. The Executive Officer is directed to transmit a copy of this resolution to 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 this 9th day of March 2016.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

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

**Paul A. Novak, AICP
Executive Officer**



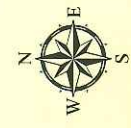
YEAGER SOI Before

21

SOI After

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LAFCO
Local Agency Formation Commission
for the County of Los Angeles

Annexation No. 745 to County Sanitation District No. 21 with SOI Amendment

 CSD Annexation 21-745

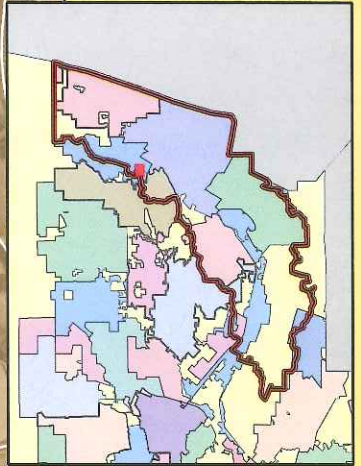
 City of La Verne

 Los Angeles County Sanitation District No. 21

 Sphere of Influence, CSD 21

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Feet



Staff Report

March 9, 2016

Agenda Item No. 7.b.

**Reorganization No. 2013-04 to the City of Rolling Hills
(Amendments to the City of Rolling Hills, City of Rancho Palos Verdes,
City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and
Park District Spheres of Influence (SOI);
Detachment of Parcel 1 and 2 from the City of Rolling Hills;
Annexation of Parcel 1 to the City of Rancho Palos Verdes and
Ridgecrest Ranchos Recreation and Park District and
Parcel 2 to the City of Rolling Hills Estates)**

PROPOSAL SUMMARY:

Size of Affected Territory:	.54± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	City of Rolling Hills
Resolution or Petition:	April 22, 2013
Application Filed with LAFCO:	June 26, 2013
Location:	The affected territory is located at the intersection of Crenshaw Blvd and Silver Spur Rd.
City/County:	City of Rolling Hills
Affected Territory:	The affected territory consists of two small right-of way parcels that contain sidewalk and open space. The topography is hilly.
Surrounding Territory:	Surrounding the affected territory are commercial and residential uses.
Landowner(s):	Parcel 1 and 2 are currently owned by the City of Rolling Hills. Ownership of Parcel 1 will be transferred to the City of Rancho Palos Verdes and Parcel 2 will be transferred to the City of Rolling Hills Estates upon completion of the reorganization.

Registered Voters:	0 registered voters as of June 26, 2013
Purpose/Background:	The City of Rolling Hills states that the reorganization is necessary to “clean up” public right-of-way boundary issues by annexing them to the neighboring jurisdictions that maintain them. Parcel 1 and Parcel 2 are public right-of-way parcels currently within the City of Rolling Hills. The reorganization would detach both parcels from Rolling Hills and annex Parcel 1 to the City of Rancho Palos Verdes and annex Parcel 2 to Rolling Hills Estates. As a result of the reorganization, Rancho Palos Verdes and Rolling Hills Estates would have full responsibility for the public right-of way of Crenshaw Blvd. that they each currently maintain.
Jurisdictional and Related Jurisdictional Changes:	The jurisdictional and related jurisdictional changes as a result of this reorganization include amendments to the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District SOI’s; Detachment of Parcel 1 and 2 from the City of Rolling Hills; Annexation of Parcel 1 to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District and Parcel 2 to the City of Rolling Hills Estates.
Within (SOI):	The affected territory is within the City of Rolling Hills SOI. A concurrent SOI amendment is being processed with this application, and this amendment will exclude the affected territory from the City of Rolling Hills SOI. The affected territory is outside the City of Rancho Palos Verdes SOI, City of Rolling Hills SOI, and Ridgecrest Ranchos Recreation and Park District SOI. A concurrent SOI amendment is being processed with this application, and this amendment will include Parcel 1 to the City of Rancho Palos Verdes SOI and Ridgecrest Ranchos Recreation and Park District SOI and include Parcel 2 to the City of Rolling Hills Estates SOI.
Waiver of Notice/Hearing/Protest:	Yes on the basis of the reorganization. Although the Commission may make a determination without public notice and hearing and waive protest proceedings, relative to the proposed reorganization, as described below, a

noticed public hearing is required for the proposed SOI amendments, pursuant to Government Code Section 56427.

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised.

Additional Information:

None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 0 residents.

The affected territory is .54+/- acres. The existing land use is public right-of-way.

The assessed valuation is \$0 as of June 26, 2013.

The per capita assessed valuation issue does not apply because the affected territory is unpopulated.

On January 5, 2016, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is hilly.

There are no natural boundaries. There are no drainage basins on or near the affected territory.

The affected territory is surrounded by residential and commercial uses.

b. Governmental Services and Controls:

The affected territory includes public right-of way which requires organized governmental services. Because the affected territory is a public right-of-way, many services are not provided directly to Parcel 1 and 2, but are listed to show the underlying responsibility of the public right-of-way that will be annexed to the City of Rancho Palos Verdes and City of Rolling Hills Estates.

The present cost and adequacy of government services and controls in the area are acceptable. The 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 is minimal.

Parcel "1"		
detach from the City of Rolling Hills annex to the City of Rancho Palos Verdes		
	Current Service Provider	Proposed Service Provider
Animal Control	City of Rolling Hills	City of Rancho Palos Verdes
Fire and Emergency Medical	Consolidated Fire Protection District	Same
Flood Control	County	Same

Library	Palos Verdes Library District	Same
Mosquito & Vector Control	Los Angeles County West Vector & Vector-Borne Disease Control District	Same
Park and Recreation	City of Rolling Hills	City of Rancho Palos Verdes
Planning	City of Rolling Hills	City of Rancho Palos Verdes
Police	County Sherriff	Same
Road Maintenance	City of Rolling Hills	City of Rancho Palos Verdes
Solid Waste	City of Rolling Hills (private hauler)	City of Rancho Palos Verdes (private hauler)
Street Lighting	City of Rolling Hills	City of Rancho Palos Verdes
Water	Cal Water	Same
Wastewater	Sanitation District No. 5	Same

Parcel "2" detach from the City of Rolling Hills annex to the City of Rolling Hills Estates		
	Current Service Provider	Proposed Service Provider
Animal Control	City of Rolling Hills	City of Rolling Hills Estates
Fire and Emergency Medical	Consolidated Fire Protection District	Same
Flood Control	County	Same
Library	Palos Verdes Library District	Same
Mosquito & Vector Control	Los Angeles County West Vector & Vector-Borne Disease Control District	Same
Park and Recreation	City of Rolling Hills	City of Rolling Hills Estates
Planning	City of Rolling Hills	City of Rolling Hills Estates
Police	County Sherriff	Same
Road Maintenance	City of Rolling Hills	City of Rolling Hills Estates
Solid Waste	City of Rolling Hills (private hauler)	City of Rolling Hills Estates (private hauler)
Street Lighting	City of Rolling Hills	City of Rolling Hills Estates
Water	Cal Water	Same
Wastewater	Sanitation District No. 5	Same

The County will continue to provide flood control, fire and police service; the Sanitation Districts of Los Angeles County will continue to provide wastewater services; Los Angeles County West Vector & Vector-Borne Disease Control District will continue to provide vector control services; Palos Verdes Library District will continue to provide library services; and Cal Water will continue to provide water service to the entire reorganization area.

Upon approval of the reorganization request, the City of Rancho Palos Verdes will provide animal control, park and recreation, planning, road maintenance, and street lighting to Parcel "1".

Upon approval of the reorganization request, the City of Rolling Hills Estates will provide animal control, park and recreation, planning, road maintenance, and street lighting to Parcel "2".

The City of Rancho Palos Verdes and City of Rolling Hills Estates provide solid waste service through private haulers under contracts. Upon approval of the reorganization both cities may have to alter their contracts to include the affected territory.

c. *Proposed Action and Alternative Actions:*

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the governmental structure of the County.

The only alternative action is for the current City of Rolling Hills, Rancho Palos Verdes, and Rolling Hills Estates boundaries to remain the same. The effect of alternate actions on mutual social and economic interests and on the local governmental structure of the City of Rolling Hills, Rancho Palos Verdes, and Rolling Hills Estates is minimal.

d. *Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:*

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

f. *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.

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

The proposal does not create islands or corridors of unincorporated territory

g. Consistency with Regional Transportation Plan:

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

h. Consistency with Plans:

Parcel "1" is consistent with the existing City of Rancho Palos Verdes General Plan designation of public right-of-way.

Parcel "2" is consistent with the existing City of Rolling Hill Estates General Plan designation of public right-of-way.

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning was not adopted for either Parcel 1 or 2. Public right-of-way is not zoned in any of the three cities involved.

i. Sphere of Influence:

The affected territory is within the City of Rolling Hills SOI. A concurrent SOI amendment is being processed with this application, and this amendment will remove the affected territory from the City of Rolling Hills SOI. The affected territory is outside the City of Rancho Palos Verdes, City of Rolling Hills, and Ridgecrest Ranchos Recreation and Park District SOI. A concurrent SOI amendment is being processed with this application, and this amendment will add Parcel 1 to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District SOI and add Parcel 2 to the City of Rolling Hills Estates SOI.

j. Comments from Public Agencies:

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. Ability to Provide Services:

The City of Rancho Palos Verdes and Rolling Hills Estates currently provide municipal services to many parcels of land. The reorganization would add approximately .54± acres to their respective service areas. Both cities have indicated that they have the ability to provide service to the affected territory once the organization is complete. Ridgecrest Ranchos Recreation and Park District owns and maintains 3 vacated former right-of-way parcels along Crenshaw Blvd. The reorganization would add .18± acres to the district boundary. The additional acreage will not affect the district's ability to maintain the 3 parcels.

l. Timely Availability of Water Supplies:

There are no known issues regarding water supply or delivery.

m. Regional Housing:

The proposed reorganization has no impact on the achievement of a fair share of regional housing needs of the Cities or County.

n. Comments from Landowners, Voters, or Residents:

Staff did not receive any significant comments from landowners, voters, or residents.

o. Land Use Designations

Parcel “1” is consistent with the existing City of Rancho Palos Verdes General Plan designation of public right-of-way.

Parcel “2” is consistent with the existing City of Rolling Hill Estates General Plan designation of public right-of-way.

Parcel “1” is consistent with the existing City of Rancho Palos Verdes zoning. The City of Rancho Palos Verdes does not assign zoning designations to public right-of-ways.

Parcel “2” is consistent with the existing City of Rolling Hills Estates zoning. The City of Rolling Hills Estate does not assign zoning designations to public right-of-ways.

p. Environmental Justice:

The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory. There are no DUCs within the SOIs for the City of Rolling Hills, Rancho Palos Verdes, City of Rolling Hills Estates, or Ridgcrest Ranchos Recreation and Park District.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed reorganization consisting solely of both annexation and a detachment without notice and hearing and may waive protest hearings for the reasons set forth herein. 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).

Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed reorganization. Based thereon, the Commission may make determinations on the proposed reorganization without notice and hearing, and the Commission may waive protest proceedings.

PUBLIC HEARING REQUIREMENT FOR SOI AMENDMENT(S):

Although the Commission may waive the public notice, hearing, and protest relative to the proposed reorganization, as described above, a public hearing is still required for the proposed SOI amendments pursuant to Government Code Section 56427.

Therefore, the recommended actions include a public hearing on the SOI amendments and a waiver of the protest proceedings for the reorganization.

SPHERE OF INFLUENCE AMENDMENT DETERMINATIONS PURSUANT TO GOVERNMENT CODE 56425(c):

1. Present and Planned Land Uses in the Area

The present and future planned land use is public right-of-way.

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

The affected territory is located within the City of Rolling Hills. General government services, including animal control, land use planning and regulation, law enforcement, fire protection, flood control, library, vector control, park and recreation, road maintenance, solid waste, street lighting, water, wastewater, and other services are provided by either the city, county, or a special district.

The affected territory includes public right-of-way which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

3. Present Capacity of Public Facilities and Services:

The City of Rancho Palos Verdes and Rolling Hills Estates currently provide municipal services to many parcels of land. The reorganization would add approximately .54± acres to their respective service areas. Both cities have indicated that they have the ability to provide service to the affected territory once the organization is complete. Ridgcrest Ranchos Recreation and Park District owns and maintains 3 vacated former right-of-way parcels along Crenshaw Blvd. The reorganization would add .18± acres to the district boundary. The additional acreage will not affect the district's ability to maintain the 3 parcels.

4. *Social of Economic communities of interest*

There are no significant social or economic communities of interest within the subject territory. The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

5. *Disadvantaged Unincorporated Communities:*

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory. There are no DUCs within the SOIs for the City of Rolling Hills, Rancho Palos Verdes, City of Rolling Hills Estates, or Ridgecrest Ranchos Recreation and Park District.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable reorganization between the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District which will be for the interest of landowners and/or present and/or future inhabitants within the cities or district and within the reorganization territory.

Recommended Action:

1. Open the public hearing and receive testimony on the reorganization and SOI amendments;
2. There being no further testimony, close the public hearing; and
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Reorganization No. 2013-04 to the City of Rolling Hills; amendments to the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District Spheres of Influence; detachment of Parcel 1 and 2 from the City of Rolling Hills; annexation of Parcel 1 to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District and Parcel 2 to the City of Rolling Hills Estates

**RESOLUTION NO. 2016-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"REORGANIZATION NO. 2013-04 TO THE CITY OF ROLLING HILLS AND AMENDMENTS TO THE
CITY OF ROLLING HILLS, CITY OF RANCHO PALOS VERDES, CITY OF ROLLING HILLS ESTATES,
AND RIDGECREST RANCHOS RECREATION AND PARK DISTRICT SPHERES OF INFLUENCE (SOI)"**

WHEREAS, the City of Rolling Hills (City) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for reorganization and sphere of influence amendments of territory herein described to the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District, and detachment of Parcel 1 and 2 from the City of Rolling Hills, annexation of Parcel 1 to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District and Parcel 2 to the City of Rolling Hills Estates, all within the County of Los Angeles (County); and

WHEREAS, the proposed reorganization consists of approximately 0.54± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Reorganization No. 2013-04 to the City of Rolling Hills"; 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 principal reason for the proposed reorganization, as stated by applicant, is to "clean up" public right-of-way boundary issues; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, even though a public hearing is not required for the Proposal, a public hearing is nevertheless required for the proposed SOI amendments, pursuant to Government Code Section 56427; and

WHEREAS, the Executive Officer has given notice of the public hearing for the proposed Sphere of Influence Amendments pursuant to Government Code Sections 56150-56160, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 11, 2016, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, on March 9, 2016, this Commission considered the Proposal and the report of Executive Officer, and 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 the Sphere of Influence Amendments.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Reorganization No. 2013-04 to the City of Rolling Hills, finds that this reorganization is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 because it consists of a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the reorganization 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 reorganization, 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 reorganization was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed reorganization proposal without notice and hearing and may waive protest proceedings relative to the proposed reorganization.

However, with respect to the proposed SOI amendments, a public hearing is still required pursuant to Government Code Section 56427.

- 3. The Commission hereby amends the Spheres of Influence of City Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, and Ridgecrest Ranchos Recreation and Park District so as to exclude Parcel 1 and 2 of the affected territory described in Exhibit "A" and "B" from the City of Rolling Hills SOI, include Parcel 1 of the affected territory described in Exhibit "A" and "B" within the City of Rancho Palos Verdes SOI and Ridgecrest Ranchos Recreation and Park District SOI, and include Parcel 2 of the affected territory described in Exhibit "A" and "B" within the City Rolling Hill Estates SOI and makes the following determinations in accordance with Government Code Section 56425:

- a. Present and Planned Land Uses in the Area

The present and future planned land use is public right-of-way.

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

The affected territory is located within the City of Rolling Hills. General government services, including animal control, land use planning and regulation, law enforcement, fire protection, flood control, library, vector control, park and recreation, road maintenance, solid waste, street lighting, water, wastewater, and other services are provided by either the city, county, or a special district. The affected territory includes public right-of-way which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

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

The City of Rancho Palos Verdes and Rolling Hills Estates currently provide municipal services to many parcels of land. The reorganization would add approximately .54± acres to their respective service areas. Both cities have indicated that they have the ability to provide service to the affected territory once the organization is complete. Ridgecrest Ranchos Recreation and Park District owns and maintains 3 vacated former right-of-way parcels along Crenshaw Blvd. The reorganization would add .18± acres to the district boundary. The additional acreage will not affect the district's ability to maintain the 3 parcels.

d. Existence of Any Social or Economic Communities of Interest

There are no significant social or economic communities of interest within the subject territory. The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

e. Disadvantaged Unincorporated Communities

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory. There are no DUCs within the SOIs for the City of Rolling Hills, Rancho Palos Verdes, City of Rolling Hills Estates, or Ridgecrest Ranchos Recreation and Park District.

f. Determination of the Services of the Existing District

The Commission has on file written statement of the functions and classes of service of the City of Rolling Hills, City of Rancho Palos Verdes, City of Rolling Hills Estates, Ridgecrest Ranchos Recreation and Park District and can establish the nature, location and extent of its classes of service and that it provides water service within its boundary.

4. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.

5. The affected territory consists of 0.54± acres, is uninhabited, and is assigned the following short form designation:

"Reorganization No. 2013-04 to the City of Rolling Hills".

6. Reorganization No. 2013-04 to the City of Rolling Hills is hereby approved, subject to the following terms and conditions:

- a. The City of Rolling Hills agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- b. The effective date of the annexation shall be the date of recordation.
- c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
- d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the City(.ies) and/or District.
- e. The regular County assessment roll shall be utilized by the City(.ies) and/or District.
- f. The affected territory will be taxed for any existing general indebtedness, if any, of the City(.ies) and/or District.

- g. Annexation of Parcel 1 of the affected territory described in Exhibits "A" and "B" to the City of Rancho Palos Verdes and Ridgecrest Ranchos Recreation and Park District.
- h. Annexation of Parcel 2 of the affected territory described in Exhibits "A" and "B" to the City of Rolling Hills Estates.
- i. Detachment of Parcel 1 and 2 of the affected territory described in Exhibits "A" and "B" from the City of Rolling Hills.
- j. Upon the effective date of the reorganization, with respect to Parcel 1, all right, title, and interest of the City of Rolling Hills, including but not limited to, the underlying fee title or easement where owned by the City of Rolling Hills, in any and all sidewalks, trails, landscaped areas, street lights, property acquired and held for future road purposes, open space, signals, storm drains, storm drain catch basins, local sanitary sewer lines, sewer pump stations and force mains, water quality treatment basins and/or structures, and water quality treatment systems serving roadways and bridges shall vest in the City of Rancho Palos Verdes.
- k. Upon the effective date of the reorganization, with respect to Parcel 2, all right, title, and interest of the City of Rolling Hills, including but not limited to, the underlying fee title or easement where owned by the City of Rolling Hills, in any and all sidewalks, trails, landscaped areas, street lights, property acquired and held for future road purposes, open space, signals, storm drains, storm drain

catch basins, local sanitary sewer lines, sewer pump stations and force mains, water quality treatment basins and/or structures, and water quality treatment systems serving roadways and bridges shall vest in the City Rolling Hills Estates.

- l. Upon the effective date of the reorganization, with respect to Parcel 1, the City of Rancho Palos Verdes shall be the owner of, and responsible for, the operation, maintenance, and repair of all of the following property owned by the City of Rolling Hills: public roads, adjacent slopes appurtenant to the roads, street lights, traffic signals, mitigation sites that have not been accepted by regulatory agencies but exist or are located in public right-of-way and were constructed or installed as part of a road construction project within the annexed area, storm drains and storm drain catch basins within street right-of-way and appurtenant slopes, medians and adjacent property.
- m. Upon the effective date of the reorganization, with respect to Parcel 2, the City of Rolling Hills Estates shall be the owner of, and responsible for, the operation, maintenance, and repair of all of the following property owned by the City of Rolling Hills: public roads, adjacent slopes appurtenant to the roads, street lights, traffic signals, mitigation sites that have not been accepted by regulatory agencies but exist or are located in public right-of-way and were constructed or installed as part of a road construction project within the annexed area, storm drains and storm drain catch basins within street right-of-way and appurtenant slopes, medians and adjacent property.

- n. Upon the effective date of the annexation, with respect to Parcel 1, the City of Rancho Palos Verdes shall do the following: (1) assume ownership and maintenance responsibilities for all drainage devices, storm drains and culverts, storm drain catch basins, appurtenant facilities (except regional Los Angeles County Flood Control District (LACFCD) facilities for which LACFCD has a recorded fee or easement interest and which have been accepted into the LACFCD system), site drainage, and all master plan storm drain facilities that are within the annexation area and are currently owned, operated and maintained by the County ; (2) accept and adopt the County of Los Angeles Master Plan of Drainage (MPD), if any, which is in effect for the annexation area. Los Angeles County Department of Public Works Department (LACDPW) should be contacted to provide any MPD which may be in effect for the annexation area. Deviations from the MPD shall be submitted to the Chief Engineer of LACFCD/Director of LACDPW for review to ensure that such deviations will not result in diversions between watersheds and/or will not result in adverse impacts to LACFCD's flood control facilities; (3) administer flood zoning and Federal Emergency Management Agency floodplain regulations within the annexation area; (4) coordinate development within the annexation area that is adjacent to any existing flood control facilities for which LACFCD has a recorded easement or fee interest, by submitting maps and proposals to the Chief Engineer of LACFCD/Director of LACDPW, for review and comment.

- o. Upon the effective date of the annexation, with respect to Parcel 2, the City of Rolling Hills Estates shall do the following: (1) assume ownership and maintenance responsibilities for all drainage devices, storm drains and culverts, storm drain catch basins, appurtenant facilities (except regional Los Angeles County Flood Control District (LACFCD) facilities for which LACFCD has a recorded fee or easement interest and which have been accepted into the LACFCD system), site drainage, and all master plan storm drain facilities that are within the annexation area and are currently owned, operated and maintained by the County ; (2) accept and adopt the County of Los Angeles Master Plan of Drainage (MPD), if any, which is in effect for the annexation area. Los Angeles County Department of Public Works Department (LACDPW) should be contacted to provide any MPD which may be in effect for the annexation area. Deviations from the MPD shall be submitted to the Chief Engineer of LACFCD/Director of LACDPW for review to ensure that such deviations will not result in diversions between watersheds and/or will not result in adverse impacts to LACFCD's flood control facilities; (3) administer flood zoning and Federal Emergency Management Agency floodplain regulations within the annexation area; (4) coordinate development within the annexation area that is adjacent to any existing flood control facilities for which LACFCD has a recorded easement or fee interest, by submitting maps and proposals to the Chief Engineer of LACFCD/Director of LACDPW, for review and comment.

- p. Except to the extent in conflict with "a" through "o", 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 reorganization.
7. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" Reorganization No. 2013-04 to the City of Rolling Hills.
8. The Executive Officer is directed to transmit a copy of this resolution to the Cities and District, upon the City of Rolling Hills 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 09th day of March 2016.

MOTION:

SECOND:

AYES:

NOES:

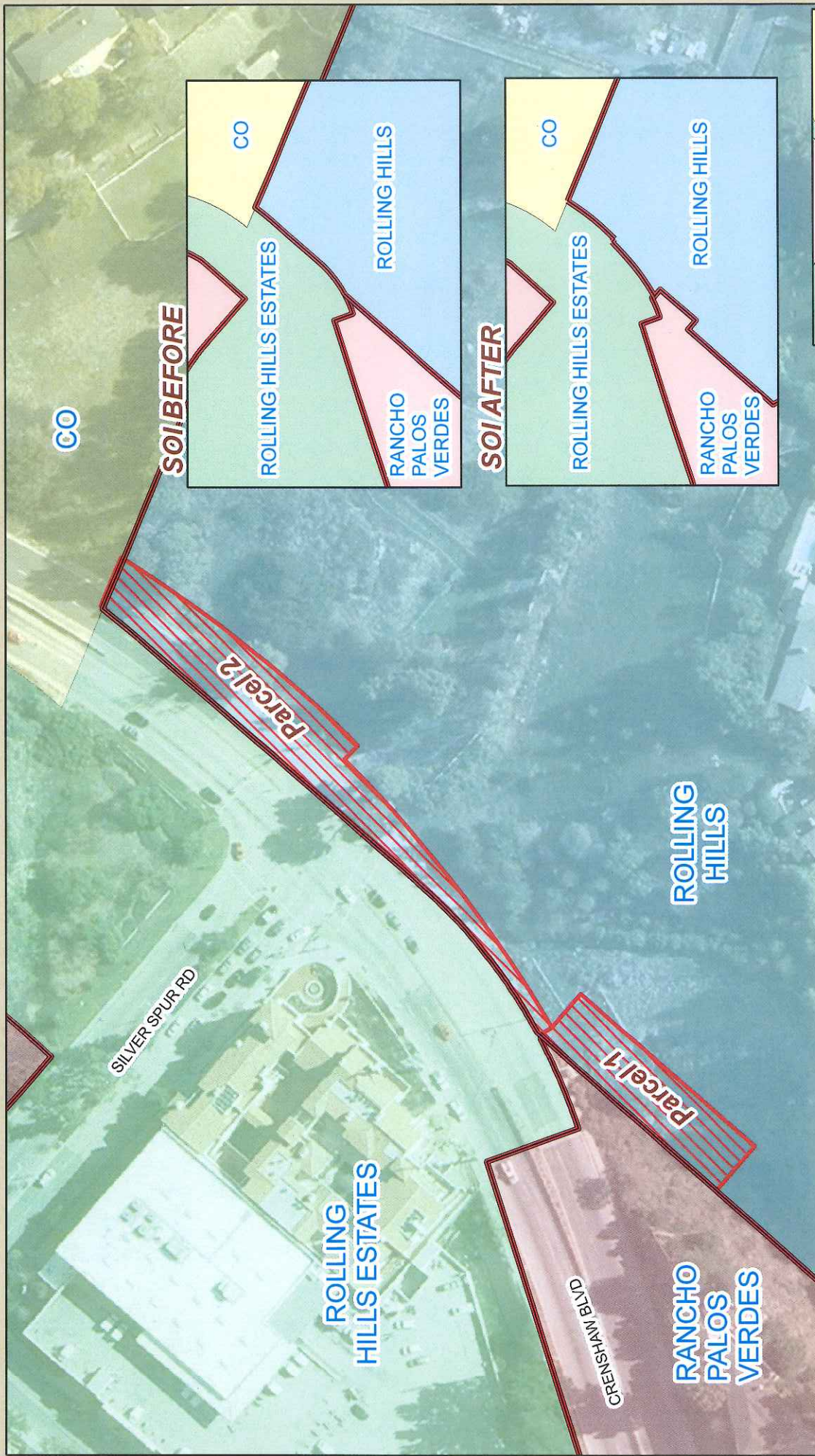
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

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

**Paul A. Novak, AICP
Executive Officer**



SOI BEFORE

SOI AFTER

Legend

Reorganization 2013-04

City of Rancho Palos Verdes

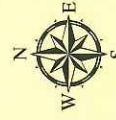
City of Rolling Hills

City of Rolling Hills Estates

Ridgecrest Ranchos Rec. & Parks Dist.

City Sphere of Influence (SOI)

**Reorganization No. 2013-04 to the City of Rolling Hills
Amendments to Rolling Hills, Rolling Hills Estates,
Rancho Palos Verdes, and Ridgecrest Ranchos
Recreation and Parks District Spheres of Influence**
Detach Parcel 1 & 2 from Rolling Hills
Annex Parcel 1 to Rancho Palos Verdes and
Ridgecrest Ranchos Recreation and Parks District
Annex Parcel 2 to Rolling Hills Estates



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



Feet

March 9, 2016

C:\GIS\MXDs\Annexations\RollingHills2013-04.mxd

Staff Report

March 9, 2016

Agenda Item No. 7.c.

Out-of-Agency Service Agreement No. 2016-02 between CV Communities, LLC; and the Los Angeles County Waterworks District No. 40 – Antelope Valley (Joshua Ranch)

This is a proposal for the Commission to approve, pursuant to Government Code Section 56133(b), an out-of-agency service agreement for the Los Angeles County Waterworks District No. 40 – Antelope Valley (District) to provide water service outside its jurisdictional boundary to CV Communities, LLC.

Commission Authority: Government Code Section 56133(b) empowers the Commission to approve an agreement for the District to provide services outside its jurisdictional boundaries, but within its sphere of influence, in anticipation of a later change of organization. The affected territory is currently within the District's Sphere of Influence. Should the Commission approve this out-of-agency service agreement, CV Communities would submit a proposal to annex the territory into the District.

Purpose/Background: The out-of-agency service agreement would allow the Los Angeles County Waterworks District No. 40 –Antelope Valley, to provide water service to the landowner/applicant (CV Communities, LLC).

With respect to the future annexation, and according to staff of District No. 40, the necessary property tax exchange resolutions would take several months to process. The applicant would like to secure water service from the District immediately, as one half of the project area has already been constructed. For these reasons, the applicant filed the out-of-agency service request proposal with LAFCO. In an email dated January 21, 2016, District staff stated that the District would "...have no objection to Out-of-Agency Service Extension request for the subject Project [Joshua Ranch]."

The applicant proposes to develop an equestrian-themed community (Joshua Ranch) composed of 535 single-family homes, an equestrian center, and a community center. The proposed development also includes a park, open space, and a network of equestrian/hiking trails.

Location: The affected territory is generally located north of Elizabeth Lake Road and south of the California Aqueduct, between 30th Street West and 50th Street West, all within in the City of Palmdale. The affected territory consists of 587.04± acres of uninhabited territory.

Sphere of Influence: The affected territory is within the Sphere of Influence of the Los Angeles County Waterworks District No. 40 – Antelope Valley.

CEQA: The California Environmental Quality Act (CEQA) clearance is a Mitigated Negative Declaration adopted by the City of Palmdale, as lead agency, on August 2, 2001. The City of

Palmdale approved an amendment to Vesting Tentative Tract Map 52200 Time Extension and Comprehensive Planned Development (CPD) 15-01 formerly CPD 96-1. An updated CEQA clearance is an Addendum to the Mitigated Negative Declaration adopted by the City of Palmdale, as lead agency, on July 10, 2015.

Conclusion: Staff recommends approval of this out-of-agency service agreement request.

Recommended Action:

1. Open the public hearing and receive testimony on the proposed Out-of-Agency Service Agreement;
2. There being no further testimony, close the public hearing;
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Out-of-Agency Service Agreement No. 2016-02 authoring Los Angeles County Waterworks District No. 40 –Antelope Valley, to provide water service to the affected territory; and
4. Direct the Executive Officer to revise LAFCO's Los Angeles County Waterworks District No. 40 – Antelope Valley Map to indicate that the affected territory is serviced by the Los Angeles County Waterworks District No. 40 – Antelope Valley.

**RESOLUTION NO. 2016-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING "OUT-OF-AGENCY SERVICE AGREEMENT NO. 2016-02
BETWEEN CV COMMUNITIES, LLC; AND THE LOS ANGELES COUNTY WATERWORKS DISTRICT
NO. 40 – ANTELOPE VALLEY (JOSHUA RANCH)"**

WHEREAS, proceedings for this out-of-agency service agreement were initiated by the Applicant and landowner, CV Communities, LLC; of certain territory in the County of Los Angeles for the Los Angeles County Waterworks District No. 40 – Antelope Valley (District), with the Executive Officer of the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), all within the City of Palmdale; and

WHEREAS, the proposed out-of-agency service agreement consists of approximately 587.04± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Los Angeles County Waterworks District No. 40 – Antelope Valley Out-of-Agency Service Agreement No. 2016-02"; and

WHEREAS, a map of the proposal is set forth in Exhibit "A", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for this out-of-agency agreement is for the District to provide water service outside its jurisdictional boundaries; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to

Government Code Sections 56150-56160, and 56427, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 5, 2016, which is at least 21 days prior to the public hearing; and

WHEREAS, on March 9, 2016, 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; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Acting in its role as a responsible agency with respect to Los Angeles County Waterworks District No. 40 – Antelope Valley Out-of-Agency Service Agreement No. 2016-02, pursuant to the California Environmental Quality Act (CEQA), the Commission considered the Addendum to the Mitigated Negative Declaration prepared and adopted by the City of Palmdale, as lead agency, on July 10, 2015 (Addendum), together with the Mitigated Negative Declaration prepared and adopted by the City of Palmdale on August 2, 2001, together with any comments received during the public review process; certifies that the Commission has independently reviewed and considered and reached its own conclusions regarding the environmental effects of the project as shown in the Addendum and the Mitigated Negative Declaration; and adopts the Mitigation Monitoring Program and Compliance Report for the project, finding that the Mitigation

Monitoring Program and Compliance Report is adequately designed to ensure compliance with the mitigation measures during project implementation as applicable to the responsible agency.

2. A map of the proposal, as approved by this Commission, is set forth in Exhibit "A", attached hereto and by this reference incorporated herein.
3. The affected territory consists of 587.04± acres, is uninhabited, and is assigned the following short form designation:

"Los Angeles County Waterworks District No. 40 – Antelope Valley Out-of-Agency Service Agreement No. 2016-02".
4. Los Angeles County Waterworks District No. 40 – Antelope Valley Out-of-Agency Service Agreement No. 2016-02 is hereby approved, subject to the following terms and conditions:
 - a. The Applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. Unless a request for reconsideration pursuant to Government Code Section 56133(d) is received, the effective date for this out-of-agency service agreement shall be April 11, 2016.
 - c. A map of the Out-of-Agency Service Agreement No. 2016-02 of the affected

territory is set forth in Exhibit "A".

- d. Within six (6) months of the effective date of this approval (October 11, 2016), the Applicant shall file a proposal with LAFCO to annex the affected territory into the District.
- e. If the Applicant does not file a proposal with LAFCO to annex the affected territory into the District within six (6) months, as stated in the condition 4.d. of this resolution, this out-of-agency service agreement approval shall become null and void.
- f. If the proposal to annex the affected territory into the District is not considered by the Commission within 18 months of the date upon which the Applicant files the proposal with LAFCO, this out-of-agency agreement approval shall become null and void. Upon the filing of a written request by the Applicant, which request shall be filed with LAFCO no later than sixty (60) days before the end of the 18 months, the Commission may extend the 18-month period, at its discretion, and after considering the request at a duly-noticed public hearing (said notice shall be consistent with the provisions of Government Code Sections 56153-56154).
- g. Except to the extent in conflict with "a" through "f", 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 out-of-agency service agreement.

Resolution No. 2016-00RMD

Page 5

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

PASSED AND ADOPTED this 9th day of March 2016.

MOTION:

SECOND:

AYES:

NOES:

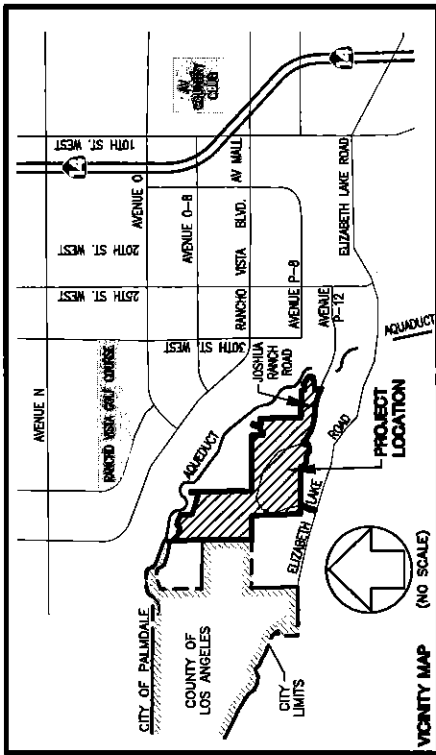
ABSTAIN:

ABSENT:

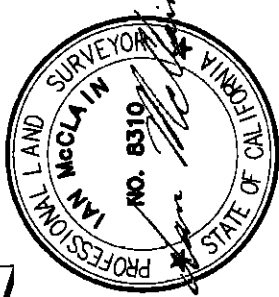
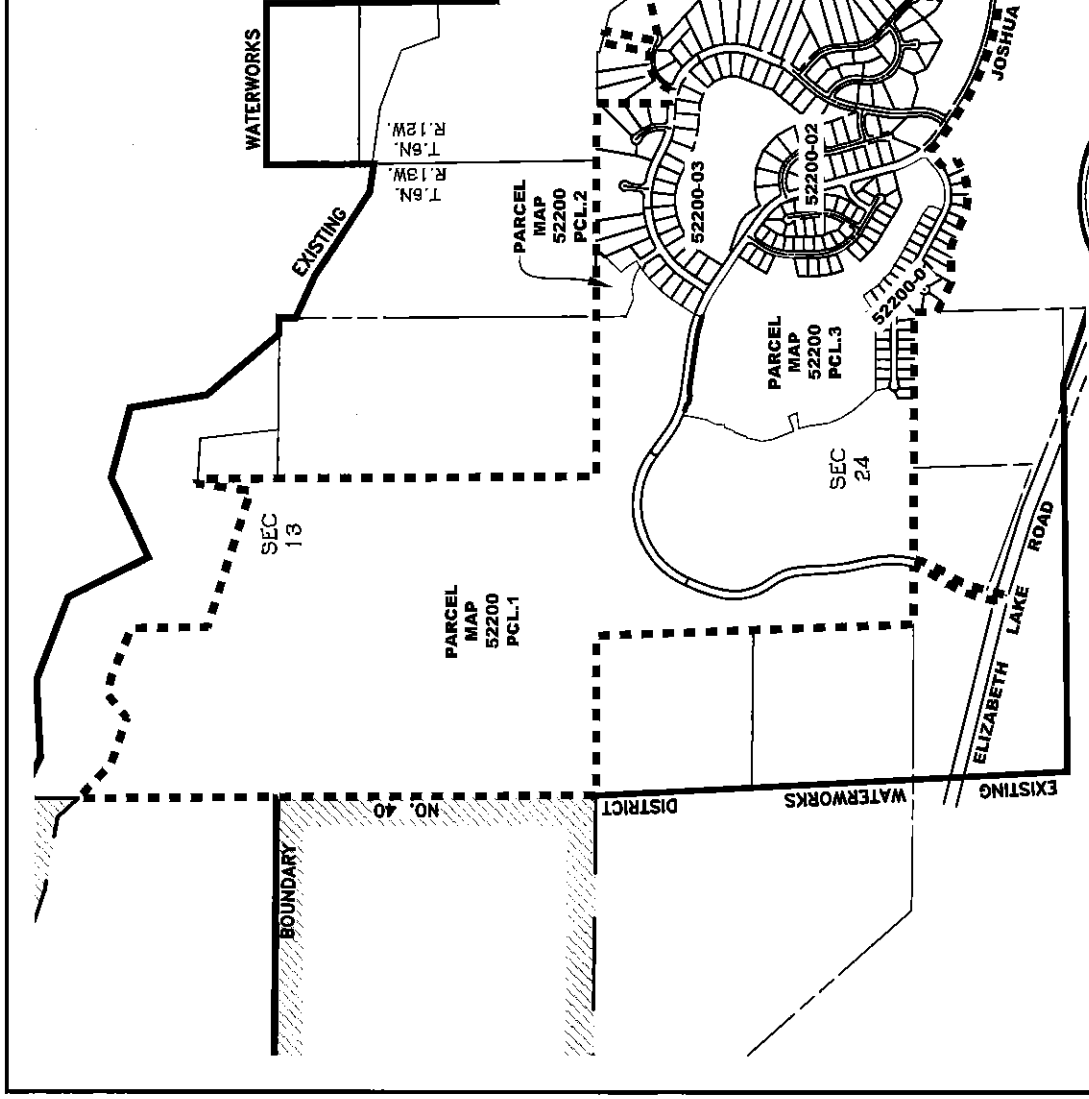
MOTION PASSES: 0/0/0

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

Paul A. Novak, AICP Executive Officer



OUT-OF-AGENCY SERVICE AGREEMENT NO.2016-02
(CV COMMUNITIES, LLC - JOSHUA RANCH)
LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40, ANTELOPE VALLEY
AREA ± 587 ACRES



2646 Santa Maria Way, Suite 107, Santa Maria, CA 93455
 Phone: (805) 925-2345 Fax: (805) 925-1539

P.N. 2064021008 DWG: 21008_LAFCO 2016-03-01.dwg

O.A.S.A. NO.2016-02
TRACT 52200 JOSHUA RANCH
CITY OF PALMDALE
STATE OF CALIFORNIA

PLOT DATE: 03-01-2016

SCALE: 1"=1500'

Staff Report

Independent Auditor's Report Fiscal Year 2014-15

Agenda Item No. 9.a.

March 9, 2016

For the past four years, the independent accounting firm of White Nelson Diehl Evans LLP conducted financial audits of the Commission's financial statements. As in the past, this year's audit was conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. The auditor's report does not propose any changes in how the Commission or staff account for or manage financial resources.

The Audited Financial Statements for Fiscal Year 2014-15 are attached for your information. The annual report consists of a series of financial statements. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Commission as a whole and present a longer-term view of finances.

The Audited Financial Statements for Fiscal Year 2014-15, before you today, is the final audit of the multi-year contract.

Current Year Standards:

Beginning in Fiscal Year 2014-15, the Commission implemented Governmental Accounting Standards Board (GASB) Statement 68 – *Accounting and Financial Reporting for Pensions, and Amendment of GASB Statement No. 27*, and Statement 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*.

Under these statements, participating employers are required to recognize a Net Pension Liability on the balance sheets. Changes in the Net Pension Liability are also recognized as a Pension Expense on the income statement or reported as deferred inflows/outflows of resources. Implementation of these standards resulted in a prior year adjustment to account for the unfunded pension liability at June 30, 2014. This adjustment decreased the Net Position at July 1, 2014 by \$660,000.

Compliance and Other Matters

Absent from this year's audit is the Management Discussion and Analysis (MD&A). The MD&A is a tool used by management to provide a comparative analysis of the financial activities over the prior fiscal year, and to identify circumstances that may have resulted in changes to the financial position. With the implementation of GASB 68, the content and format made it difficult to make a meaningful comparison from one year to the next. Therefore, at the

recommendation of LAFCO's CPA, staff did not prepare an MD&A. We will resume preparation of the MD&A in FY 2015-16. For purposes of the Audit, exclusion of the MD&A did not affect the Auditor's opinion on the Commission's basic financial statements.

As explained in the attached report, it is the opinion of the auditor that the Commission's financial statements present fairly, in all material respects, the respective financial position of the Commission. The audit did not disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

A representative from White Nelson Diehl Evans LLP, will be available at the meeting should the Commission have any questions.

Recommendation

Staff recommends that the Commission receive and file the attached audited financial statements for fiscal year ending June 30, 2015.

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

BASIC FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2015

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

TABLE OF CONTENTS

June 30, 2015

	<u>Page Number</u>
Independent Auditors' Report	1 - 3
Financial Statements:	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 24
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability	25
Schedule of Contributions - Defined Benefit Pension Plan	26
Schedule of Funding Progress - Other Post-Employment Benefits Plan	27
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 - 29

INDEPENDENT AUDITORS' REPORT

The Commission Members
Local Agency Formation Commission
for the County of Los Angeles
Pasadena, California

Report on the Financial Statements

We have audited the accompanying statement of net position of the Local Agency Formation Commission for the County of Los Angeles (the Commission) as of June 30, 2015, and the related statements of revenues, expenses and changes in net position and cash flows, for the year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of June 30, 2015, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 2d and 9 to the financial statements, the Commission implemented Governmental Accounting Standards Board's Statement No. 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", and Statement No. 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". The adoption of these standards required retrospective application resulting in a \$660,000 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plan, and the schedule of funding progress - other post-employment benefits plan, identified as required supplementary information (RSI) in the accompanying 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2016, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

White Nelson Diehl Evans LLP

Irvine, California

February 1, 2016

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENT OF NET POSITION

June 30, 2015

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	\$ 912,580
Prepaid expenses	13,678
TOTAL CURRENT ASSETS	<u>926,258</u>

NONCURRENT ASSETS:

Capital assets, net of accumulated depreciation	14,415
Security deposits	8,232
TOTAL NONCURRENT ASSETS	<u>22,647</u>

TOTAL ASSETS	<u>948,905</u>
--------------	----------------

DEFERRED OUTFLOWS OF RESOURCES:

Amount related to pension	<u>211,988</u>
---------------------------	----------------

LIABILITIES:

CURRENT LIABILITIES:

Accounts payable	6,231
Compensated absences due within one year	36,633
Accrued rent obligation due within one year	3,600
TOTAL CURRENT LIABILITIES	<u>46,464</u>

LONG-TERM LIABILITIES:

Compensated absences payable	37,393
Accrued rent obligation	56,214
OPEB obligation	412,094
Net pension liability	580,000
TOTAL LONG-TERM DEBT	<u>1,085,701</u>

TOTAL LIABILITIES	<u>1,132,165</u>
-------------------	------------------

DEFERRED INFLOWS OF RESOURCES:

Amount related to pension	<u>243,000</u>
---------------------------	----------------

NET POSITION:

Net investment in capital assets	14,415
Unrestricted	(228,687)
TOTAL NET POSITION	<u>\$ (214,272)</u>

See accompanying notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the year ended June 30, 2015

REVENUES:

Contributions received	\$ 1,161,843
Fees and other charges	105,515
Interest	<u>7,697</u>

TOTAL REVENUES	<u>1,275,055</u>
----------------	------------------

EXPENSES:

Salaries and employee benefits	883,181
Office expense	260,287
Professional fees	79,005
Depreciation	<u>6,440</u>

TOTAL EXPENSES	<u>1,228,913</u>
----------------	------------------

CHANGES IN NET POSITION	46,142
-------------------------	--------

NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>(260,414)</u>
--	------------------

NET POSITION, END OF YEAR	<u><u>\$ (214,272)</u></u>
---------------------------	----------------------------

See accompanying notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

STATEMENT OF CASH FLOWS

For the year ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Contributions, fees and other revenues received	\$ 1,275,055
Cash paid to suppliers for goods and services	(344,112)
Cash paid to employees for services	<u>(856,119)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	74,824

CASH AND CASH EQUIVALENTS,
BEGINNING OF YEAR

837,756

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 912,580

RECONCILIATION OF CHANGES IN NET POSITION
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Changes in net position	\$ 46,142
Adjustments to reconcile changes in net position to net cash provided by operating activities:	
Depreciation	6,440
Changes in operating assets and liabilities:	
(Increase) decrease in prepaid expenses	(1,526)
(Increase) decrease in deferred outflows of resources - amount related to pensions	(108,988)
Increase (decrease) in accounts payable	(12,297)
Increase (decrease) in compensated absences payable	5,209
Increase (decrease) in accrued rent obligation	9,003
Increase (decrease) in OPEB obligation	70,841
Increase (decrease) in net pension liability	(183,000)
Increase (decrease) in deferred inflows of resources - amount related to pensions	<u>243,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 74,824</u>

See accompanying notes to financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 accordance 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.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

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 *California 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. New Accounting Pronouncements:

Current Year Standards:

In fiscal year 2014-2015, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 68 - "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the net position at July 1, 2014 by \$660,000.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

Current Year Standards (Continued):

GASB Statement No. 69 - *"Government Combinations and Disposals of Government Operations"* was required to be implemented in the current fiscal year and did not impact the Commission.

Pending Accounting Standards:

GASB has issued the following statements which may impact the Commission's financial reporting requirements in the future:

- GASB 72 - *"Fair Value Measurement and Application"*, effective for periods beginning after June 15, 2015.
- GASB 73 - *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*, effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, effective for periods beginning after June 15, 2016.
- GASB 75 - *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, effective for periods beginning after June 15, 2017.
- GASB 76 - *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*, effective for periods beginning after June 15, 2015.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Commission has two items that qualify for reporting in this category for the fiscal year ended June 30, 2015. The first item is a deferred outflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 8 years. The second item is the deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that qualify for reporting in this category for the fiscal year ended June 30, 2015. The first item is a deferred inflow related to pensions resulting from differences between expected and actual experience. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 8 years. The second item is a deferred inflow related to pensions for the net difference between projected and actual earnings on plan investments. This amount is amortized over a closed 5-year period.

f. Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

g. 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 position. Estimated useful lives of the assets are as follows:

Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Automotive equipment	5 years
Tenant improvements	5 years

h. Accrued 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 accrued rent obligation was \$59,814 at June 30, 2015.

i. Net Position:

Net position is classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- *Net Investment in capital assets* - This component of net position 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 net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted net position* - This component of net position consists of constraints placed on net position 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. The Commission had no restricted net position at June 30, 2015.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Net Position (Continued):

- *Unrestricted net position* - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the Commission's policy is to apply restricted net position first.

j. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Los Angeles County Employees Retirement Association (LACERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by LACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k. Use of Estimates:

The preparation of financial statements in accordance 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 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 voluntarily deposited in the Los Angeles County Treasury Pool that are presented as cash and cash equivalents in the statement of net position amounted to \$768,888 as of June 30, 2015.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. CASH AND CASH EQUIVALENTS (CONTINUED):

The Commission's cash and cash equivalents may be exposed to certain risks:

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, 2015, 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, 2015, the Commission had no outstanding investments.

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 is 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.

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 \$768,888 as of June 30, 2015. Information on the pool's use of derivative securities in its investment portfolio is not available.

As of June 30, 2015, the Los Angeles County Treasury Pool's and the Commission's exposure to risk (credit, market or legal) is not available.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

4. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Capital Assets:				
Office equipment	\$ 49,423	\$ -	\$ -	\$ 49,423
Furniture and fixtures	65,957	-	-	65,957
Tenant improvements	<u>11,328</u>	-	-	<u>11,328</u>
Total capital assets	<u>126,708</u>	-	-	<u>126,708</u>
Less accumulated depreciation for:				
Office equipment	(42,674)	(2,878)	-	(45,552)
Furniture and fixtures	(60,087)	(2,429)	-	(62,516)
Tenant improvements	<u>(3,092)</u>	<u>(1,133)</u>	-	<u>(4,225)</u>
Total accumulated depreciation	<u>(105,853)</u>	<u>(6,440)</u>	-	<u>(112,293)</u>
Total capital assets, net	<u>\$ 20,855</u>	<u>\$ (6,440)</u>	<u>\$ -</u>	<u>\$ 14,415</u>

5. COMPENSATED ABSENCES PAYABLE:

Compensated absences payable activity for the year ended June 30, 2015, was as follows:

Compensated absences payable at beginning of year	\$ 68,817
Compensated absences payable earned	36,633
Compensated absences payable used	<u>(31,424)</u>
Compensated absences payable at end of year	<u>\$ 74,026</u>

There is no fixed payment schedule for earned but unpaid compensated absences. Compensated absences expected to be paid within one year is \$36,633 at June 30, 2015.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN:

a. General Information about the Pension Plan:

Plan Description:

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937. LACERA operates as a cost-sharing, multi-employer defined benefit pension plan (the Plan) and provides benefits to employees of the County of Los Angeles as well as four other entities, including LAFCO, that are not part of the County's reporting entity. Benefits are authorized in accordance with the County Employees Retirement Law, the by-laws and procedures adopted by LACERA's Boards of Retirement and Investments and County Board of Supervisors' resolutions.

Benefits Provided:

LACERA 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. The retirement benefits within the plan are tiered based on the date of LACERA membership.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	General		
	Prior to January 1, 2013	If elected, On or After January 4, 1982 And Before November 28, 2012	On or After January 1, 2013
Hire date			
Plan Name	Plan D	Plan E	Plan G
Benefit vesting schedule	5 years of service	10 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-70	55-70	52 - 67
Monthly benefits, as a % of eligible compensation	1.18% - 2.43%	0.75% - 2.0%	1.0% - 2.5%
Required employee contribution rates (1)	4.83% - 10.94%	0%	7.63%
Required employer contribution rates	19.74%	20.95%	19.53%

(1) Based on age at entry into the plan

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN (CONTINUED):

a. General Information about the Pension Plan (Continued):

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of June 30, 2015, the Commission reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$580,000.

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	<u>General</u>
Proportion - June 30, 2013	0.007%
Proportion - June 30, 2014	0.008%
Change - Increase (Decrease)	0.001%

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN (CONTINUED):

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

For the year ended June 30, 2015, the Commission recognized pension expense of \$68,000. At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 116,988	\$ -
Differences between actual and expected experience	-	(2,000)
Change in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	95,000	-
Net differences between projected and actual earnings on plan investments	-	(241,000)
Total	<u>\$ 211,988</u>	<u>\$ (243,000)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$116,988 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2016	\$ (47,000)
2017	(46,000)
2018	(46,000)
2019	(47,000)
2020	13,000
Thereafter	25,000
	<u>\$ (148,000)</u>

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN (CONTINUED):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Actuarial Assumptions:

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	General
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5% (1)
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	3.50% (2)
Investment Rate of Return	7.50% (1)
Mortality	(3)

(1) Net of administrative expenses

(2) Depending on age, service and type of employment

(3) Various rates based on RP-2000 mortality tables and using static projection of improvements to 2025 using Projection Scale AA.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of the 2013 Investigation of Experience report. Further details of the report can found on the LACERA website.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN (CONTINUED):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate:

The discount rate used to measure the total pension liability as of June 30, 2014, was 7.63%. The projection of cash flows used to determine the discount rate assumed that Plan contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members.

The long-term expected rate of return on pension plan investments was determined using a building-block approach in which a median (or expected) geometric rate of return is developed for each major asset class. The median rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target allocation percentages. Estimates of the median geometric rates of return for each major asset class at the time the asset allocation targets were selected are shown in the table. The asset class return assumptions are presented on a nominal basis, and all assumptions incorporate a base inflation rate assumption of 2.35 percent.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Rate of Return (Geometric)	
		Asset Class	Expected Alpha
Global Equity	49.00%	7.50%	0.10%
Fixed Income	23.00%	3.50%	0.20%
Real Estate	10.00%	6.05%	0.00%
Private Equity	11.00%	9.85%	4.00%
Commodities	3.00%	4.35%	0.75%
Hedge Funds	2.00%	5.50%	0.00%
Cash	2.00%	1.75%	0.25%
Total	100.00%		

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

6. PENSION PLAN (CONTINUED):

- b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Commission's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>General</u>
1% Decrease	6.63%
Net Pension Liability	\$ 1,144,000
Current Discount Rate	7.63%
Net Pension Liability	\$ 580,000
1% Increase	8.63%
Net Pension Liability	\$ 109,000

Pension Plan Fiduciary Net Position:

Detailed information about each pension plan's fiduciary net position is available in the separately issued LACERA financial reports.

- c. Payable to the Pension Plan:

At June 30, 2015, the Commission had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

7. OTHER POST-EMPLOYMENT BENEFITS PLAN:

a. Plan Description:

In addition to the retirement plan described in Note 6, 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 retiree. The retiree is responsible for payment of the remaining premiums. Retirees must have worked a minimum of 10 years with the Commission in order to be eligible for these benefits.

b. Funding Policy:

As of June 30, 2015, 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, 2015, 2014 and 2013, those costs totaled \$10,907, \$6,561, and \$6,474, 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 Commission uses a 30 year amortization period.

The following table shows the components of the Commission's annual OPEB, the cost amount of benefits and/or insurance premiums paid, and the changes in the Commission's Net OPEB obligation for the year ended June 30, 2015:

Annual required contribution	\$ 81,470
Interest on net OPEB obligation	17,063
Adjustment to annual required contribution	<u>(16,785)</u>
Annual OPEB cost	81,748
Pay-as-you-go cost	<u>(10,907)</u>
Increase in net OPEB obligation	70,841
Net OPEB obligation - beginning of year	<u>341,253</u>
Net OPEB obligation - end of year	<u>\$ 412,094</u>

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (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 2015 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>
6/30/13	\$ 71,197	9.09%	\$ 266,127
6/30/14	81,687	8.03%	341,253
6/30/15	81,748	12.24%	412,094

e. Funded Status and Funding Progress:

As of July 1, 2013, the most recent actuarial valuation date, the plan is not funded. The actuarial accrued liability for benefits was \$711,231, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$711,231. The covered payroll (annual payroll of active employees covered by the plan) was \$545,832 and the ratio of the UAAL to the covered payroll was 130.30%.

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.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (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	45
Assumed retirement age	65
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%

8. COMMITMENTS:

The Commission has entered into office space and equipment 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>
2016	\$ 101,379
2017	86,700
2018	89,301
2019	91,980
2020	94,739
Thereafter	<u>138,740</u>
Total	<u>\$ 602,839</u>

Total rent expense for the year ended June 30, 2015 amounted to \$108,645.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

9. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

The implementation of GASB Statement Numbers 68 and 71 requires reporting the net pension liability of the Commission's defined benefit pension plan in the financial statements and is applied retroactively by restating the net position as of the beginning of the fiscal year. The implementation of GASB Numbers 68 and 71 resulted in a reduction of net position by \$660,000 as of July 1, 2014.

10. SUBSEQUENT EVENTS:

Events occurring after June 30, 2015 have been evaluated for possible adjustments to the financial statements or disclosure as of February 1, 2016, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

	<u>2015</u>
Proportion of the net pension liability	0.008%
Proportionate share of the net pension liability	\$ 580,000
Plan's covered - employee payroll	\$ 575,750
Proportionate share of the net pension liability as a percentage of covered - employee payroll	100.74%
Plan's fiduciary net position	\$ 3,817,782
Plan fiduciary net position as a percentage of the total pension liability	86.80%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years*

	2015
Contractually required contribution (actuarially determined)	\$ 116,988
Contributions in relation to the actuarially determined contributions	<u>(116,988)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 594,657
Contributions as a percentage of covered - employee payroll	19.67%

Notes to Schedule:

Valuation Date 6/30/2013

Methods and Assumptions Used to Determine Contribution Rates:

Cost sharing employers	Entry Age Actuarial Cost Method
Amortization method	Level percentage of payroll over a 30 year period, layered
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	3.50% depending on age, service and type of employment
Investment rate of return	7.50%, net of pension plan investment expenses
Retirement age	50-67 years
Mortality	Various rates based on RP-2000 mortality tables and using static projection of improvements to 2025 using Projection Scale AA.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

SCHEDULE OF FUNDING PROGRESS

OTHER POST-EMPLOYMENT BENEFITS PLAN

For the year ended June 30, 2015

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%
7/1/2012	\$ 748,249	\$ -	\$ 748,249	0.00%	\$ 423,900	176.52%
7/1/2013	\$ 711,231	\$ -	\$ 711,231	0.00%	\$ 545,832	130.30%

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, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 1, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Commission's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Dick Evans LLP

Irvine, California
February 1, 2016

Client: **LOS006 - LAFCO - Los Angeles County**
Engagement: **2015 AUD - Los Angeles Local Agency Formation Commission**
Period Ending: **6/30/2015**
Trial Balance: **3100.01 - Trial Balance**
Workpaper: **3210.01 - Passed Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<hr/>				
Passed Adjusting Journal Entries JE # 300		4100.03		
Known Misstatement: To adjust pooled cash to market rate (including effect of PY PAJE).				
30002	Retained Earnings		9,690.00	
10002	Investment Pool Account			105.00
10004	Reserve Account			801.00
40007	Interest Inc			8,784.00
Total			<u><u>9,690.00</u></u>	<u><u>9,690.00</u></u>
<hr/>				
Passed Adjusting Journal Entries JE # 301		4100.03		
Known Misstatement: To record interest receivable at 6/30/15.				
10002	Investment Pool Account		2,046.00	
40007	Interest Inc			2,046.00
Total			<u><u>2,046.00</u></u>	<u><u>2,046.00</u></u>

Staff Report

March 9, 2016

Agenda Item No. 9.b.

Proposed Amendment to Policy Concerning Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133 and 56134

At two previous meetings (February 11th, 2015, and May 13th, 2015), the Commission adopted a policy concerning proposals requesting an out-of-agency service extension or exemption pursuant to Government Code Section 56133.

In 2015, the Legislature and Governor approved two bills (AB 402 and SB 239) which made minor changes to Government Code Section 56133 and added two new sections (56133.5 and 56134) relative to out-of-agency service extension or exemption requests. The revised sections of the law, which took effect on January 1, 2016, are enclosed with this report. Due to these changes, it is necessary to revise the policy previously adopted by the Commission. The draft policy is enclosed (language in red type).

Section 56133.5

The most significant change to Section 56133 involves subsection “(b),” which empowers the Commission to approve service outside of an agency’s boundary and sphere of influence when there is a documented and impending threat to health or safety of the public or residents. Because the new law added the phrase “if consistent with adopted policy,” an argument could be made that a LAFCO could not utilize subsection “(b)” unless it first adopts such a policy. LA LAFCO has already adopted such a policy, making further action in response to this change unnecessary.

The remaining changes to Section 56133 involve non-substantive clarifications and renumbering. Subsection “(d)-(6)” was also added relative to exemptions for fire service contracts (this issue is discussed in more detail, below).

Section 56133.5

The bills’ addition of Section 56133.5 does not impact LA LAFCO, as this section merely creates a pilot program in Napa and San Bernardino counties.

Section 56134

The most significant change concerning out-of-agency service extensions or exemptions involves Section 56134. This new section creates a special set of procedures—distinct from the requirements for all other out-of-agency service extension or exemption requests—for the provision of new or extended fire protection service whenever the proposal “transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement” or “changes the

employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.” Before a public agency can file such a proposal with LAFCO, it must either secure the consent of all impacted firefighter labor organizations or it must conduct a noticed public hearing relative to the proposal. Further, the proposal to LAFCO must include substantial information from the applicant (costs of the new services, fiscal impacts upon customers, a financing plan, proposed infrastructure improvements or requirements, identification of existing service providers, etc.).

Although the changes in Government Code Section 56134 are the most significant changes to the law, the impacts will be felt more by applicants than by LAFCOs, as these new provisions create substantial burdens on applicants who propose to add or extend fire service outside their agency’s respective jurisdictional boundaries. In that regard, and in addition to the proposed policy changes, the staff recommendations include dissemination of this new policy to the County of Los Angeles as well as cities and special districts in the County.

Reconsideration

With respect to reconsideration, Government Code Sections 56133 and 56134 provide that requests for reconsideration may be made by the applicant. The draft policy enables any person or affected agency to file requests for reconsideration, as staff can identify no compelling reason why parties other than the applicant should be precluded from filing for reconsideration; staff also notes that the reconsideration provision for changes of organization and reorganizations, found in Government Code Section 56895, has the broader language.

Staff Recommendation:

Staff recommends that the Commission:

1. Adopt the enclosed draft policy as amended (Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133 and 56134);
2. Direct the Executive Officer to post the adopted policy on the Commission website; and
3. Direct the Executive Officer to transmit a copy of the adopted policy to the County of Los Angeles as well as all cities and special districts in the county.

Enclosures:

- **Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133 and 56134**
- **Government Code Sections 56133, 56133.5, and 56134**

**Requesting an Out-of-Agency Service Extension or Exemption
Pursuant to Government Code Sections 56133 and 56134**

Adopted February 11, 2015

Revised May 13, 2015

Revised March 9, 2016

(Proposed revisions of March 9, 2016 are underlined)

Background:

Unless determined by the Commission to be exempt, a city or district may provide new or extended services by contract outside its jurisdictional boundaries only if it first requests and receives written approval from the Commission.

Procedures for Requests Pursuant to Government Code Section 56133:

If a request pursuant to Government Code Section 56133 is filed by a party other than the city or district which would provide the service, the affected city or district must provide a written endorsement indicating its willingness to provide the service if the Commission approves the request.

The Commission shall consider any proposals for an out-of-agency service extension, either pursuant to Government Code Section 56133(b), if a future change of organization or reorganization is anticipated, or pursuant to Government Code Section 56133(c), if the Commission finds that there is an existing or impending threat to public health or safety of the residents of the affected territory.

The Commission shall also consider any requests to be exempt from the requirement to obtain LAFCO approval of an out-of-agency service extension, pursuant to Government Code Section 56133(e).

LAFCO shall publish a notice no less than 21 days in advance of the public hearing before the Commission, consistent with Government Code sections 56153-56154, except as otherwise provided herein.

If the Executive Officer determines that an out-of-agency request is associated with an urgent situation where the public interest requires action in less than 21 days, the Executive Officer may waive the 21-day notice and agendize the matter before the Commission as a special meeting, which may be by teleconference, pursuant to the requirements of the Ralph M. Brown Act (Government Code Section 54950 et seq) with the concurrence of the Commission Chair, or if the Chair is unavailable, the concurrence of the First Vice Chair, or Second Vice Chair as may be available.

Procedures for Requests Pursuant to Government Code Section 56134:

The Commission shall consider any proposals for an out-of-agency service extension for fire protection contracts consistent with the provisions of Government Code Section 56134.

Reconsideration

Government Code Sections 56133 and 56134 provide that requests for reconsideration may be made by the applicant. It is the policy of the Commission to also consider requests for reconsideration filed by any person or affected agency. Reconsideration shall be subject to the procedures and requirements established in Government Code Section 56895, except as provided herein.

**EXCERPTS FROM THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000
(Government Code Section 56000 et seq)**

56133.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

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

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

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

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

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

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

(2) The transfer of nonpotable or nontreated water.

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

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

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

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

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

(Amended by Stats. 2015, Ch. 763, Sec. 2.5. Effective January 1, 2016.)

56133.5.

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

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

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

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

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

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

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

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

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

(Added by Stats. 2015, Ch. 431, Sec. 2. Effective January 1, 2016. Repealed as of January 1, 2021, by its own provisions.)

56134.

(a) (1) For the purposes of this section, "fire protection contract" means a contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or by Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does either of the following:

(A) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement.

(B) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.

(2) A contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by

Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that, in combination with other contracts or agreements, would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(3) For the purposes of this section, "jurisdictional boundaries" shall include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015. An extension of a fire protection contract entered into on or before December 31, 2015, that would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the commission in the affected county pursuant to the requirements of this section.

(c) A request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract shall be made by the adoption of a resolution of application as follows:

(1) In the case of a public agency that is not a state agency, the application shall be initiated by the adoption of a resolution of application by the legislative body of the public agency proposing to provide new or extended services outside the public agency's current service area.

(2) In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency's current service area and be approved by the Director of Finance.

(3) In the case of a public agency that is a local agency currently under contract with a state agency for the provision of fire protection services and proposing to provide new or extended services by the expansion of the existing contract or agreement, the application shall be initiated by the public agency that is a local agency and be approved by the Director of Finance.

(d) The legislative body of a public agency or the director of a state agency shall not submit a resolution of application pursuant to this section unless both of the following occur:

(1) The public agency does either of the following:

(A) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract.

(B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. The notice shall, at minimum, include a full copy of the proposed contract.

(2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), as applicable.

(e) A resolution of application submitted pursuant to this section shall be submitted with a plan which shall include all of the following information:

(1) The total estimated cost to provide the new or extended fire protection services in the affected territory.

(2) The estimated cost of the new or extended fire protection services to customers in the affected territory.

(3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

(4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.

(5) Alternatives for the exercise of the new or extended fire protection services in the affected territory.

(6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.

(7) The level and range of new or extended fire protection services.

(8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

(9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

(10) A determination, supported by documentation, that the proposed fire protection contract meets the criteria established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of subdivision (a).

(f) The applicant shall cause to be prepared by contract an independent comprehensive fiscal analysis to be submitted with the application pursuant to this section. The analysis shall review and document all of the following:

(1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e).

(2) How the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.

(3) Any other information and analysis needed to support the findings required by subdivision (j).

(g) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this section shall file a certified copy of the resolution with the executive officer.

(h) (1) The executive officer, within 30 days of receipt of a public agency's request for approval of a fire protection contract, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request does not comply with the requirements of subdivision (d), the executive officer shall determine that the request is incomplete. If a request is determined incomplete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete.

(2) The commission shall approve, disapprove, or approve with conditions the contract for new or extended services following the hearing at the commission meeting, as provided in paragraph (1). If the contract is disapproved or approved

with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(i) (1) The commission shall not approve an application for approval of a fire protection contract unless the commission determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended fire protection services outside its current area, except as specified in paragraph (2).

(2) The commission may approve an application for approval of a fire protection contract where the commission has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that, if the revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.

(j) The commission shall not approve an application for approval of a fire protection contract unless the commission determines, based on the entire record, all of the following:

(1) The proposed exercise of new or extended fire protection services outside a public agency's current service area is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001 and 56300.

(2) The commission has reviewed the comprehensive fiscal analysis prepared pursuant to subdivision (f).

(3) The commission has reviewed any testimony presented at the public hearing.

(4) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.

(k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of that hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted and shall post the notice of the hearing on the commission's Internet Web site.

(l) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.

(m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1).

(Added by Stats. 2015, Ch. 763, Sec. 3. Effective January 1, 2016.)

Staff Report

March 9, 2016

Agenda Item No. 9.c.

Hidden Creeks Estates Project – Status Report

At the January 13th meeting, the Commission directed staff to provide bi-monthly updates on the status of the proposed Hidden Creeks Estates Project and associated proposed Annexation No. 2011-27 to the City of Los Angeles in light of its proximity to Porter Ranch and the Southern California Gas Company Aliso Canyon Storage Facility.

On March 2, 2016, and pursuant to Commission direction, staff sent a letter to the applicant's legal counsel (Wayne Avrashow), which included three components: acceptance of the applicant's offer not to request a vote of the Commission on proposed Annexation No. 2011-27 to the City of Los Angeles for eight months (until September, 2016); a request that the applicant provide written documentation addressing the factors in Government Code Section 56668, subsections "(a)" through "(p)," which the Commission is required to consider when reviewing the proposal; and a request that the applicant provide a further environmental analysis of the proposed project and a separate report on potential impacts on future project residents related to gas leak issues.

On March 2, 2016, and pursuant to Commission direction, staff sent a letter to the City of Los Angeles (to the attention of Vince Bertoni, Director of Planning) requesting that the City provide additional environmental analysis in the EIR the City is preparing for proposed Hidden Creeks Estates Project, specifically as it relates to potential environmental impacts associated with the proposed project in light of the natural gas leak at the Southern California Gas Company Aliso Canyon Storage Facility.

Multiple sources—including Southern California Gas Company officials, regulatory agency representatives, and media outlets—report that the natural gas leak at the Southern California Aliso Canyon Storage Facility has been sealed. At the local, state, and federal levels, there are many on-going investigations relative to the natural gas leak and the potential for on-going impacts of the Southern California Aliso Canyon Storage Facility upon existing and future residents living near the Facility.

Area legislators in Sacramento have introduced several bills relative to the monitoring of underground natural gas storage facilities in general and the Aliso Canyon Storage Facility in particular.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file.

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

March 2, 2016

Commission

Jerry Gladbach
Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Don Knabe
Sheila Kuehl
Gerard McCallum
David Spence

Alternates

Michael D. Antonovich
Lori Brogin
Paul Krekorian
Judith Mitchell
Joseph Ruzicka
Greig Smith

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

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

www.lalafco.org

Wayne Avrashow, Esq.
Law Office of Wayne Avrashow
16133 Ventura Blvd
Penthouse, Suite A
Encino, CA 91436

Re: Hidden Creeks Estates Annexation Proposal No. 2011-27

Dear Mr. Avrashow:

As you know, on January 13th, 2016, the Commission (LAFCO) considered a letter from Supervisor Mike Antonovich relative to Annexation No. 2011-27 to the City of Los Angeles and the proposed development known as the Hidden Creeks Estates project. I am writing to follow-up on the Commission's direction to staff, as discussed at the Commission's January 13th meeting.

As noted in the January 13th, 2016 staff report, the Commission is required to consider the factors identified in Government Code Section 56668, subsections "(a)" through "(p)," when it evaluates Annexation No. 2011-27 to the City of Los Angeles. I am requesting that Forestar provide LAFCO with supplemental written documentation as part of the pending annexation application addressing the factors in Government Code 56668 as they relate to the existing natural gas leak at the Southern California Gas Aliso Canyon Storage Facility.

With respect to timing issues associated with Annexation No. 2011-27 to the City of Los Angeles, your January 5th, 2016 letter to the Commission, and on behalf of your client, Forestar USA Real Estate Group Inc. (applicant), included the following:

"Forestar herein requests that LAFCO not schedule a vote on the annexation of Hidden Creeks Estates until more is known about the impacts of the gas leak on Hidden Creeks Estates. Forestar agrees that it shall not make any request for a LAFCO annexation vote for six months to allow these facts to become known."

During the January 13th Commission meeting, you acknowledged and accepted the calculation in the staff report that the earliest the Commission could consider the annexation, assuming all required documents were submitted, would be the Commission meeting of September 14, 2016, or eight months from the January 2016

Wayne Avrashow, Esq.
March 2, 2016
Page Two of Two

meeting. On behalf of the Commission, please consider this letter as formal acceptance of Forestar's request that LAFCO not agendize a vote on the annexation proposal until more is known about the impacts of the gas leak on Hidden Creeks Estate as well as Forestar's commitment not to request that the Commission vote on Annexation No. 2011-27 to the City of Los Angeles for at least eight months following January of 2016.

In addition, you supported the staff report recommendation for a review of these issues in the environmental documentation as appropriate, and also Supervisor Kuehl's request that the applicant provide a further environmental analysis of the proposed project and a separate report on potential impacts related to gas leak issues.

The Commission also requested that the staff directly correspond with the City to request that any additional potential environmental impacts of the proposed project in light of the gas leak issues be addressed by the City as lead agency for the proposed project's environmental impact report.

Please do not hesitate to contact me should have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Novak", with a stylized flourish at the end.

Paul A. Novak, AICP
Executive Officer

Copy to: LAFCO Commissioners
 Mr. Sandor Wingor



Local Agency Formation Commission
for the County of Los Angeles

March 2, 2016

Commission

Jerry Gladbach
Chair

Richard H. Close
Donald L. Dear
Margaret Finlay
Don Knabe
Sheila Kuehl
Gerard McCallum
David Spence

Alternates

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Mr. Vince Bertoni, AICP
Director of Planning
Department of City Planning
Room 525, City Hall
200 No. Spring Street
Los Angeles, CA 90012

Re: Hidden Creeks Estates Project
City of Los Angeles EIR Case File No. ENV-2005-6657-EIR
LAFCO Annexation No. 2011-27 to the City of Los Angeles

Dear Mr. Bertoni:

I am writing to request that the City of Los Angeles, as the lead agency preparing the EIR for the proposed Hidden Creeks Estates Project, prepare additional environmental analysis as it relates to the leak of natural gas from the Southern California Gas Company Aliso Canyon Storage Facility.

As you may know, on January 13th, 2016, the Commission (LAFCO) considered a letter from Supervisor Mike Antonovich relative to Annexation No. 2011-27 to the City of Los Angeles and the proposed development known as the Hidden Creeks Estates project. I am writing to follow-up on the Commission's direction to staff, as discussed at the Commission's January 13th meeting.

The proposed Annexation No. 2011-27 to the City of Los Angeles (for the Hidden Creeks Estates Project) was filed with LAFCO on December 8, 2011. The proposal is incomplete, pending receipt of additional information by LAFCO.

Nearly three years after the annexation proposal was filed with LAFCO, in October of 2015, media sources reported a leak of natural gas from the Southern California Gas Company Aliso Canyon Storage Facility, which created impacts upon existing residents in nearby Porter Ranch. The proposed Hidden Creeks Estates project is also located adjacent to the existing Southern California Gas Storage Facility, which is the source of the concerns raised in the letter by Supervisor Antonovich.

With respect to a potential California Environmental Quality Act (CEQA) clearance for proposed Annexation No. 2011-27 to the City of Los Angeles, the Commission (LAFCO) intends to act in the capacity of a responsible agency, relying upon the EIR

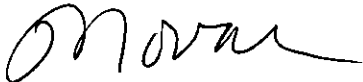
of the City of Los Angeles as lead agency. Because the City's EIR is expected to be the CEQA document for proposed Annexation No. 2011-27 to the City of Los Angeles, and on behalf of the Commission, I am writing to ask that this EIR specifically address any additional environmental impacts of the proposed Hidden Creeks project in light of the gas leak issues at the Southern California Gas Company Aliso Canyon Storage Facility. At the Commission hearing on January 13th, 2016, the applicant's representatives supported the Commission request for further environmental analysis and for analysis of potential health concerns for the future project residents to be submitted both to the City and to LAFCO as part of the proposed project applications.

Thank you for considering LAFCO's input into the City's preparation of environmental review for the proposed Hidden Creeks Canyon Project.

Should you or your staff have any questions or concerns, please feel free to contact me at (626) 204-6500.

Thank you.

Sincerely,



Paul A. Novak, AICP
Executive Officer

Copy to: LAFCO Commissioners
 Wayne Avrashow, Law Offices of Wayne Avrashow
 Mr. Sandor Wingor