



Commission

Voting Members

Jerry Gladbach  
Donald Dear  
Gerard McCallum  
Kathryn Barger  
Richard Close  
Margaret Finlay  
Janice Hahn  
David Ryu  
David Spence

Alternate Members

Lori Brogin-Falley  
Marqueece  
Harris-Dawson  
Sheila Kuehl  
Judith Mitchell  
Joseph Ruzicka  
Greig Smith

Staff

Paul A. Novak, AICP  
Executive Officer

Amber De La Torre  
Doug Dorado  
Michael Henderson  
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**LOCAL AGENCY FORMATION COMMISSION  
MEETING AGENDA**

Wednesday, April 12, 2017  
9:00 a.m.

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

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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.

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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**

None.

**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 March 8, 2017.
- b. Operating Account Check Register for the month of March 2017.
- c. Receive and file update on pending proposals.

**7. PUBLIC HEARING(S)**

- a. Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Antelope Valley Cemetery District, Artesia Cemetery District, Downey Cemetery District, Little Lake Cemetery District, and the Wilmington Cemetery District, and California Environmental Quality Act (CEQA) exemptions. (moved to the May 10<sup>th</sup> Commission Meeting).
- b. Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Miraleste Recreation and Park District, the Ridgecrest Ranchos Recreation and Park District and the Westfield Recreation and Park District and the California Environmental Quality Act (CEQA) exemptions.
- c. Final Budget Fiscal Year 2017-2018.

**8. PROTEST HEARING(S)**

None.

**9. OTHER ITEMS**

- a. Status of Vector Control Services in Los Angeles County
- b. Legislative Update.

**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**

May 10, 2017  
June 14, 2017  
July 12, 2017  
August 9, 2017

**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**



Local Agency Formation Commission  
for the County of Los Angeles

 **DRAFT**

Commission

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REGULAR MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

March 8, 2017

Present:

Jerry Gladbach, Chair

Kathryn Barger  
Richard Close  
Donald Dear  
Margaret Finlay  
Janice Hahn  
Gerard McCallum  
David Ryu  
David Spence

Lori Brogin-Falley, Alternate  
Joe Ruzicka, Alternate  
Greig Smith, Alternate

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

Absent:

Marqueece Harris-Dawson, Alternate  
Sheila Kuehl, Alternate  
Judith Mitchell, Alternate

1 CALL MEETING TO ORDER

The meeting was called to order at 9:03 a.m. in Room 374-A (Business License Commission) 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 rise and state for the record the Commissioner to whom such campaign contributions were made and the item of their involvement (None).

The E.O. read an announcement, asking if any Commissioner had received a campaign contribution that would require disclosure and recusal from any item on today's agenda (None).

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore-in two (2) members of the audience who planned to testify.

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 February 8, 2017.
- b. Approved Operating Account Check Register for the month of February 2017.
- 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. 424 to the Los Angeles County Sanitation District No. 14; Resolution No. 2017-10RMD.

- e. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 425 to the Los Angeles County Sanitation District No. 14; Resolution No. 2017-11RMD.
- f. Adopted the Resolution Making Determination, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2008-09 (37-29) to the Los Angeles County Waterworks District No. 37 – Acton; Resolution No. 2017-12RMD

MOTION: BARGER  
SECOND: DEAR  
AYES: BARGER, DEAR, HAHN, SPENCE, SMITH (ALT. FOR  
McCALLUM), GLADBACH  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: CLOSE, FINLAY, McCALLUM, RYU  
MOTION PASSES: 6/0/0

[Commissioner Finlay arrived at 9:07 a.m.]

## 7 PUBLIC HEARING(S)

The following item was called for consideration:

- a. Reorganization No. 2015-14 to the City of Pomona (Franciscan Place).

The E.O. summarized the staff report on Reorganization No. 2015-14 to the City of Pomona (Franciscan Place).

The public hearing was opened to receive testimony on the SOI amendments. 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 and Ordering Reorganization No. 2015-14 to the City of Pomona (Franciscan Place); 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 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; Resolution No. 2017-13RMD.

MOTION: FINLAY  
SECOND: DEAR  
AYES: BARGER, DEAR, FINLAY, HAHN, SMITH (ALT. FOR  
McCALLUM), SPENCE, GLADBACH  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: CLOSE, McCALLUM, RYU  
MOTION PASSES: 7/0/0

## 8 PROTEST HEARING(S)

The following item was called for consideration:

- a. Annexation No. 1080 to the Santa Clarita Valley Sanitation District of Los Angeles County.

The E.O. stated that this is the Commission protest hearing pursuant to Government Code Section 57000 *et seq.* and that no written protest(s) have been received in advance of the hearing.

The protest hearing was opened to receive testimony and/or written protest(s). There being no testimony or written protest(s) submitted, the protest hearing was closed.

The Commission took the following action:

- Adopted the Resolution Making Determinations Ordering Annexation No. 1080 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2017-01PR.

MOTION: BARGER  
SECOND: FINLAY  
AYES: BARGER, DEAR, FINLAY, HAHN, SMITH (ALT. FOR  
McCALLUM), SPENCE, GLADBACH  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: CLOSE, McCALLUM, RYU  
MOTION PASSES: 7/0/0

[Commissioner McCallum arrived at 9:11 a.m.]

## 9 OTHER ITEMS

The following item was called up for consideration:

- a. Proposed Budget Fiscal Year 2017-2018.

The E.O. summarized the staff report on Proposed Budget Fiscal Year 2017-2018.

[Commissioner Brogin-Falley arrived at 9:15 a.m.]

Supervisor Hahn asked if there is funding available in the Proposed Budget Fiscal Year 2017-2018 to expand a cemetery district's boundary. The E.O. stated that there is no funding set aside in the budget to expand a city or district boundary. An annexation application with accompanying LAFCO filing fees is usually filed by a special district, city, county, or an outside public agency, (under the law, LAFCO can't initiate an annexation proposal). The Commission adopted a fee waiver policy in 2011, whereby the Commission is required to vote on waiving fees for public agencies. The E.O. stated that he would require a letter requesting the fee waiver, which would be agendaized for Commission action.

[Commissioner Close arrived at 9:17 a.m.]

Commissioner Spence asked if staff is able to take care of the extra work due to the recent retirement of the Deputy Executive Officer (DEO). The E.O. stated that it has been an adjustment, and he is looking forward to the recruitment and hiring of a new DEO.

Commissioner Spence asked if the Proposed Budget Fiscal Year 2017-2018 includes the new DEO salary. The E.O. said "yes".

Commissioner Finlay asked why is there a 27% rate increase in health insurance – is this due to "bumped-up" insurance plans, or just overall health insurance increases? The E.O. stated that it is an overall increase in health insurance. The E.O. noted that overall increased health insurance also factors in the health insurance for the future hire of the new Deputy Executive Officer. The E.O. stated that, about two years ago, staff worked with a broker to research different health plans, and it was concluded that the County has the best rate and is less expensive compared to other providers.

Commissioner Finlay asked why is there a 20% increase in staff travel and conferences. The E.O. stated that this is due to increased costs associated with workshops, conferences, and lodging itself, and is not due to increased staff attendance.

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



The Commission took the following action:

- Approved the Proposed Budget for Fiscal Year 2017-2018;
- Pursuant to Government Code Section 56381, directed staff to forward the Proposed Budget for Fiscal Year 2017-2018 to the County of Los Angeles, as well as the 88 cities and 53 independent special districts in Los Angeles County, for their comment; and
- Set April 12, 2017, for hearing on adoption of the Final Budget for Fiscal Year 2017-2018.

MOTION:	SPENCE
SECOND:	FINLAY
AYES:	BARGER, CLOSE, DEAR, FINLAY, HAHN, McCALLUM, SPENCE, GLADBACH
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	RYU
MOTION PASSES:	8/0/0

On a separate issue, the E.O. thanked Supervisor Hahn for her staff's assistance in addressing some complicated service delivery issues in the City of Downey and in the City of Rancho Palos Verdes, both of which will be considered in the Municipal Service Reviews on next month's Agenda.

## 9 OTHER ITEMS

The following item was called up for consideration:

- b. Hidden Creeks Estates – Status Report.

The E.O. summarized the staff report on Hidden Creeks Estates.

The Commission took the following action:

- Received and Filed.

MOTION:	DEAR
SECOND:	FINLAY
AYES:	BARGER, CLOSE, DEAR, FINLAY, HAHN, McCALLUM, SPENCE, GLADBACH
NOES:	NONE

ABSTAIN: NONE  
ABSENT: RYU  
MOTION PASSES: 8/0/0

## 9 OTHER ITEMS

Chair Gladbach recused himself from voting on Agenda Item 9.c. Chair Gladbach announced that First Vice-Chair Dear would conduct the meeting during his absence.

Commissioner Finlay asked why Chair Gladbach is recusing himself. Chair Gladbach stated that the third bullet in the staff report, SB 634 (Wilk), concerns Castaic Lake Water Agency where he serves on the Board of Directors.

The following item was called up for consideration:

### c. Legislative Update.

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

The E.O. noted that there is a change from what was in the written staff recommendation. It concerns the third bullet point in the staff report, SB 634 (Wilk). SB 634 is a bill authored by Senator Scott Wilk, and it proposes to consolidate two water agencies: Castaic Lake Water Agency (CLWA) and Newhall County Water District (NCWD). This bill represents a proposed “legislative consolidation” of the two water agencies. The State legislature can take the same actions that are under LAFCOs authority. Absent a legislative action, the proposed consolidation would typically involve an application filed with LAFCO, by one or both districts, and consideration and action by the Commission. After the drafting of the staff report and posting of the Agenda for today’s meeting, staff learned just yesterday that SB 634 is scheduled to be considered by the Senate Natural Resources and Water Committee (Committee) on Tuesday, March 28<sup>th</sup>. Given this new information, the E.O. revised the recommendation from the written report.

The E.O. stated that the new recommendation is for the Commission to consider taking a position of “oppose unless amended” to SB 634, and further direct staff to prepare the appropriate letters to the Governor and State legislatures. In addition to State Legislation, the “oppose unless amended” letter would be a request that the two agencies file a proposal with Los Angeles LAFCO, thereby enabling the Commission to consider the proposed consolidation. Typically, such a letter would come from the Commission Chair – in this instance, given Chair Gladbach’s recusal from Agenda Item 9.c., the E.O. recommended that the letters be signed by First Vice-Chair Dear or Second Vice-Chair McCallum. Should the Commission decide to take a position, the E.O. stated that he would consider traveling to Sacramento on March 28<sup>th</sup> to testify before the Committee.

In fairness to the two agencies, the E.O. noted that district representatives recently alerted him that the two water agencies are considering a legislative approach rather than a LAFCO approach. The E.O. was contacted by individuals who are opposed to the consolidation. As a courtesy, all of these parties, both in support of and opposing the consolidation, were alerted that this item would be considered at today's meeting. The E.O. noted that the issue here is not the consolidation itself – where LAFCO staff and the two districts differ is about the process, and how best to consider a proposed consolidation of two districts. The E.O. stated that he remains concerned about any “legislative approaches” to consolidation of special districts, and the potential example it may set for other agencies in Los Angeles County. For this reason, the E.O. recommended that the Commission take an “oppose unless amended” position on SB 634. The E.O. stated that this is not the first time a bill in Sacramento proposes an action that a local LAFCO can execute. The E.O. noted that typically there is heightened sensitivity among the board members of the California Association of Local Agency Formation Commissions (CALAFCO) about anything perceived as a “by-pass” of the local LAFCO process.

Supervisor Barger asked what is the timeline to process the consolidation through State Legislature compared to LAFCO. The E.O. stated that if the consolidation was processed through the end of the Legislature session in September, and signed, the consolidation would take effect on January 1, 2018. The typical time to process a proposal with LAFCO is about 12 months. The E.O. stated that LAFCO could, more or less, mirror what would occur at the Legislature level, and take about the same amount of time. The E.O. stated that there is one complicated factor, CLWA is a Special Act district created by the State Legislature which governs the governing Castaic Lake Water Agency Board of Directors. In this proposed consolidation, CLWA currently has a governing structure different than what is being proposed. LAFCO doesn't specifically have the authority in the law to determine a governing structure, and this would require legislative action. The E.O. stated that this has been done in other instances, where a bill was authored by Senator Lara to create an agency with a specific governing structure; at LAFCO's request, Senator Lara amended the bill to require LAFCO approval.

Supervisor Barger asked if the proposed consolidation would still need to be processed through State Legislature, and then processed through LAFCO. The E.O. said “yes”. It would be considered a “hybrid” approach – through both the State Legislature and LAFCO. The E.O. stated that the LAFCO approach will afford an opportunity for the residents within the Santa Clarita Valley to have a local body (LAFCO) to hear their concerns.

Commissioner Finlay stated that when a city councilmember recuses themselves from a meeting, that person is required to leave the room completely and not seat-in as a member of the audience. Commissioner Finlay asked if this would also apply to Chair Gladbach. Legal counsel stated that this is an open public meeting. There is no reason or requirement that Chair Gladbach must leave the room, only that he cannot participate in any discussion. Commissioner Dear stated that when he was Mayor, and when a city councilmember recused themselves, that person left the room. Chair Gladbach volunteered to leave the room for the duration of the discussion.

Commissioner Finlay thanked Chair Gladbach for exiting the room.

Commissioner Finlay asked why the two districts want to consolidate. The E.O. stated that representatives of the two districts in attendance who can answer that question.

[Commissioner Ryu arrived at 9:30 a.m.]

Commissioner McCallum asked what is the purpose of “by-passing” LAFCO if it will take about the same amount time to process the consolidation either through the State Legislature or LAFCO. The E.O. stated that there is a concern regarding timing, but that can be addressed. Further, an action made by the Legislature does not require California Environmental Quality Act (CEQA) clearance, and would not be met with a CEQA challenge. Any LAFCO action is subject to CEQA review, and the CEQA clearance could be challenged.

[Supervisor Barger left at 9:30 a.m.]

[Supervisor Hahn left at 9:31 a.m.]

First Vice-Chair Dear asked the E.O. if the Commission still had a quorum. The E.O. said “yes”. The E.O. stated that Commissioner Ryu just arrived and Commissioner Ruzicka is sitting as a voting member, as an alternate for Chair Gladbach.

[Commissioner Brogin-Falley left at 9:33 a.m.]

First Vice-Chair Dear stated that there are five (5) members of the audience who planned to testify.

The E.O. swore-in three (3) additional members of audience who planned to testify.

Lynne Plambeck, President of the Santa Clarita Organization for Planning and the Environment (SCOPE), came before the Commission. Ms. Plambeck stated that she is a 24-year Board member of the Newhall County Water District but she is not representing NCWD, as she is the minority Board member who does not support the consolidation. Ms. Plambeck stated that she is here to support her constituents of the NCWD who also do not agree with the consolidation. Ms. Plambeck noted that the districts conducted “push” polls where the residents could not say no to the consolidation. Ms. Plambeck stated that NCWD is a well-functioning water district that is financially sound, and it is providing good water quality with great customer service. NCWD has served the community very well. This proposal is for the NCWD to consolidate into a water agency (CLWA) that has problems with water quality, including numerous arsenic violations. CLWA has enormous debt. Ms. Plambeck stated that NCWD has good budgeted reserves and debt will be paid off in three years. Ms. Plambeck stated that she is very concerned, and as are her constituents who live with the boundaries of the NCWD. Newhall County Water District is a

60-year old water voter district created by the public, and if NCWD were to be dissolved, it should be dissolved by the public. Ms. Plambeck noted that this consolidation was not rallied by the public but rather was contemplated by upper management of CLWA and NCWD. Ms. Plambeck stated that she believes, as her constituents also believe, that CLWA wants to consolidate with NCWD so Castaic Lake Water Agency can gain control of the groundwater and send the water to the Newhall Ranch project which is not within a groundwater agency.

Ms. Plambeck stated that, back in 2000, through the State Legislature, CLWA acquired a groundwater agency, the Santa Clarita Water Company (SCWC). The public, and a tax payer group, litigated that acquisition, but failed. Ultimately, the Legislature gave CLWA permission to acquire the groundwater agency. Like the Metropolitan Water District of Southern California (MWD or Met), Newhall County Water District is a State Water wholesaler that only serves at wholesale and serves four (4) groundwater agencies, including Los Angeles County Waterworks District No. 36 – Val Verde. Ms. Plambeck noted that when CLWA took over the Santa Clarita Water Company, at that time, CLWA agreed that they would not serve outside the boundaries of the Santa Clarita Water Company (now known as the Santa Clarita Water Division after the CLWA acquisition). In 2012, CLWA acquired Valencia Water Company (VWC) as an owner only but not as a water service provider. The public is upset to the point where a recall has been filed. Ms. Plambeck stated that she is not sure if the recall will be successful, and noted that she is not involved with this recall. In 2005, CLWA tried to acquire the NCWD through a LAFCO Municipal Service Review (MSR) evaluation. The MSR found that NCWD was a well-functioned water district, as NCWD is today. As a result of that evaluation, NCWD and CLWA made agreements to swap portions of territory. Geographically, NCWD is in all these different areas because NCWD acquired mutual water companies that had failed or failing water systems. The only area where there is water service was supposed to get “swapped-out” as a result of the 2005 LAFCO MSR. Unfortunately, that has not come to pass. In 2012, Cameron Smyth (current Mayor of the City of Santa Clarita) was a state legislator. Mr. Smyth created a law that is special to the NCWD, whereby a proposed dissolution of the Newhall County Water District requires 10 % of the number of voters who reside within the district or at least 10 % of the number of landowners within the district who own at least 10 % of the assessed value of the land within the district (Government Code Section 57114.5); the standard threshold is twenty-five percent (25%).

Ms. Plambeck stated that the real reason that Newhall County Water District deserves to exist is because NCWD serves as a system of “checks and balances” on the shenanigans that are occurring in the Santa Clarita Valley. With the amount of development taking place in the Santa Clarita Valley, there are a lot of shenanigans pertaining to water service. Ms. Plambeck stated that it is important to have a small district like NCWD that is accessible to the ratepayers. The NCWD has 10,000 hook-ups with 30,000 voters. Ms. Plambeck stated that many believe that the proposed consolidation will end litigation between the two water agencies. There hasn’t been any litigation except that CLWA tried to raise NCWD’s water rates for State Water which would have been 80% higher than the two other water companies (SCWC and VWC) that were

acquired by CLWA. Ms. Plambeck stated that the increased water rates attempted by CLWA was a push for the Newhall County Water District to consolidate with Castaic Lake Water Agency. When CLWA acquired the Valencia Water Company, Newhall County Water District sued Castaic Lake Water Agency. CLWA went to the appellate court stating that CLWA was not providing water serve through Valencia Water Company, and that the CLWA only purchased and owns the stock shares of the VWC. Ms. Plambeck noted that CLWA employees are operating the Valencia Water Company. Ms. Plambeck stated that residents within the NCWD are upset, and do not support this consolidation.

Commissioner Close asked if Ms. Plambeck is a former LAFCO Commissioner. Ms. Plambeck said "yes". Commissioner Close asked Ms. Plambeck if she is in favor of the revised recommendation of "oppose unless amended" to SB 634. Ms. Plambeck stated that she agrees to the "oppose as amended" approach, and that the proposed consolidation should be filed with LAFCO, which would then be subject to Government Code Section 57114.5. Ms. Plambeck stated that she is also concerned that CEQA would be avoided if the proposed consolidation is processed through the State Legislature only.

Ms. Plambeck voiced her concern that Agenda Item 9.c. was agendized as a "receive and file" action, and it was not agenized as a voting action item.

Commissioner Close and Commissioner Finlay asked legal counsel if the Commission has the authority to vote the way the item was agendized. Legal counsel said "yes". Under the Brown Act, the Agenda was posted at least 72 hours before the meeting, and included the Legislative Update item on the Agenda, and that's all that is required for this type of item. The Commission does have broad discretion, under the Brown Act, not to accept the staff recommendation or deviate from the staff recommendation.

The E.O. stated that Agenda Item 9.c. was agendized properly, in good faith, with the information that staff had at the time of the written recommendation. The E.O. reiterated that he only received new information yesterday, via e-mail, that SB 634 will be heard by the Committee on March 28<sup>th</sup>, which would be before the next Commission meeting on April 12<sup>th</sup>. The E.O. stated that he sent e-mails to Ms. Plambeck, the general managers of both agencies, as well as their respective attorneys. The E.O. stated that his recommendation is different from what was recommended at the time the Agenda was sent out.

Ms. Plambeck thanked the E.O. for his fairness for both the proponents and opponents of this proposed consolidation. Ms. Plambeck stated that she was notified by the E.O. regarding the revised staff recommendation.

Commissioner Finlay asked Ms. Plambeck who would come here to support the consolidation. Ms. Plambeck stated that those who are in support of the consolidation are here in the audience.

Ms. Plambeck mentioned that Castaic Lake Water Agency was meeting behind closed doors for nearly two years. CLWA gave a 24-hour notice for eminent domain proceedings approving an action with a \$60 million and \$73 expenditure of public funds, respectively. Ms. Plambeck stated that CLWA now has informational meetings after she filed a complaint with the District Attorney for Brown Act violations, where she believed it was inappropriate to have the eminent domain proceedings occur behind closed doors.

Commissioner Finlay asked why is the Legislature involved in this consolidation. Ms. Plambeck stated that both CLWA and NCWD Boards want to process the consolidation through the State Legislature only. Ms. Plambeck stated that she wants to preserve Newhall County Water District, and does not want to have a water monopoly within the Santa Clarita Valley. Commissioner Finlay asked if CLWA boundaries are adjacent to the boundaries of the NCWD. Ms. Plambeck said "yes". Castaic Lake Water Agency is a larger agency compared to Newhall County Water District. Ms. Plambeck stated that CLWA is a State Water wholesaler. Castaic Lake Water Agency is a Special Act district created by the State Legislature in 1962, tasked similar to the Metropolitan Water District of Southern California. MWD provides wholesale water to retail water agencies, which Newhall County Water District is not a member agency of Met. Ms. Plambeck noted that CLWA is a "mini" Metropolitan Water District of Southern California. CLWA was not set up to serve retail water. Met is a State Water wholesaler that provide State Water from Northern California through the California Aqueduct, and down to retailers located in Southern California. The water retailers combine the State Water, put it into groundwater, and then service water customers directly. CLWA was not set up to serve water retailers.

Commissioner Spence asked if Senator Wilk represents the Santa Clarita Valley. Ms. Plambeck said "yes". Ms. Plambeck concluded that there should be a vote and more transparency.

First Vice-Chair Dear thanked Ms. Plambeck for her testimony.

Carmillis "Cam" Noltemeyer (Treasurer, SCOPE) came before the Commission. Ms. Noltemeyer stated that she was at this meeting today representing herself as a Valencia Water Company rate-payer. Ms. Noltemeyer voiced that VWC is not a part of this so-called "valley-wide merger". Ms. Noltemeyer stated that CLWA acquired Valencia Water Company, in 2012, through a stock purchase, an investment, not as a water enterprise of CLWA. Castaic Lake Water Agency has raised our water rates by 20%. CLWA has refused to say if VWC is a private or a public entity. Ms. Noltemeyer stated that she hopes LAFCO opposes the consolidation, and hopefully it's squashed at the Legislative level. VWC is one of the biggest agencies with the most wells. There are wells that are contaminated with perchlorate and volatile organic compounds (VOCs). Ms. Noltemeyer stated that CLWA has an agreement to treat the contaminated wells but CLWA is unwilling to provide information about how much it's costing to clean up the contaminated wells or how long the process will take.

Ms. Noltemeyer stated that she sits on Whittaker Bermite Committee which oversees the Whittaker-Bermite property, an undeveloped 996-acre former munitions testing and manufacturing site that has contamination issues. This "brown field" is in the middle of the City of Santa Clarita. Ms. Noltemeyer stated Valencia Water Company pays dividends to Castaic Lake Water Agency. Commissioner Finlay asked if Ms. Noltemeyer is a ratepayer/customer of the Valencia Water District. Ms. Noltemeyer said "yes".

Commissioner Smith asked how this testimony is relevant to this discussion. Ms. Noltemeyer stated that this is relevant because we are being treated as "purchased stock", and this is why it's relevant. VWC says they are a private company, and not required to give information. Ms. Noltemeyer stated that she obtained information from CLWA. Ms. Noltemeyer stated that Valencia Water Company had paid over \$3 million in dividends to Castaic Lake Water Agency. There are no elected representatives with the Valencia Water Company. This is not a "valley-wide" consolidation.

Commissioner Finlay stated that she didn't have enough information to vote on this matter, and suggested that this item be continued to another date for the Commission to have additional time to review this item.

Commissioner McCallum stated that the Commission is being asked to send an "oppose unless amended" letter to Senator Wilk's Office.

The E.O. stated that there are several different ways to accomplish consolidation. The E.O. noted that his preference is that the proposed consolidation should have two components to it — one, resolve governance issues with the Legislature, and two, a proposal should be filed with LAFCO by, one or both districts, for Commission consideration. If two special districts adopt similar resolutions to propose consolidating their agencies, the Commission is obligated, under the law, to approve it. The Commission would still have the ability to hear all testimony and impose reasonable terms and conditions, as it does for all changes of organization that come before the Commission. The E.O. stated that the Commission is in a better position to take an "oppose unless amended" position early rather than later. The next Commission meeting is April 12<sup>th</sup>, and holding a special meeting before March 28<sup>th</sup> is not likely, due to scheduling conflicts of the Commissioners. The E.O. stated that the Commission is not harmed by taking the position of "oppose unless amended", and the Commission always has the ability to change their position on this bill later. The E.O. noted that, last year, the Commission took an "oppose unless amended" position on a similar bill. That bill was amended and the Commission removed its opposition. The E.O. stated that the Commission should take a position in advance of the first hearing, rather than waiting until after the Committee considers taking action on March 28<sup>th</sup>.

Commissioner Finlay stated that the staff recommendation is "receive and file." The E.O. stated that "receive and file" was the original staff recommendation, and did not think the bill would be considered until after the April 12<sup>th</sup> Commission meeting. The E.O. received an email yesterday



from CALAFCOs Executive Director stating that SB 634 will be heard on March 28<sup>th</sup>. For that reason, the E.O. stated that he changed his recommendation from “receive and file” to now recommending that an “oppose unless amended” letter be to Senator Wilk’s Office. Commissioner Finlay asked if there is a revised written recommendation. The E.O. said “no”. It is a verbal recommendation and parties who are here today are aware of this new recommendation.

Motioned by Close, seconded by McCallum to take a position of “oppose unless amended” to SB 634.

First Vice-Chair Dear thanked Ms. Noltemeyer for her testimony.

Joseph Byrne (General Counsel, Castaic Lake Water Agency) came before the Commission. Mr. Byrne stated that it is unusual to have public comment after a motion is made. Mr. Byrne stated that he met with the E.O. over a year ago, and this is not an attempt to circumvent LAFCO. Castaic Lake Water Agency is a Special Act district, whereby, legislative action is required if CLWA wanted to dissolve, incorporate into another agency, or change the governing structure of the agency. Mr. Byrne stated that CLWA has been in communication with the E.O. who has been very helpful and clear on his position with the proposed consolidation. Mr. Byrne noted that CLWA incorporated the E.O.’s comments and suggestions into the legislative bill. Mr. Byrne stated that litigation has been going on for a long time between Castaic Lake Water Agency and Newhall County Water District. This proposed consolidation is a resolution to that litigation. Mr. Byrne noted that 14 out of 15 of the combined Board members of both agencies are in support of the consolidation. Mr. Byrne stated that CLWA has conducted extensive community outreach over the last year. CLWA conducted polling of the residents, who are in support of the consolidation. CLWA also conducted a formation study. This has been a long thought-through process between CLWA and NCWD. Mr. Byrne noted, according to the map prepared in the formation study, as Ms. Plambeck indicated, there are non-contiguous areas, and if a water district was formed from these boundaries, it would not be the best approach. CLWA is a State Water Project wholesale water contractor, but offers retail water service through the Santa Clarita Water Division. NCWD is incorporated into the boundaries of the CLWA – all within the same community and family of water districts. Mr. Byrne stated that the general managers of the Castaic Lake Water Agency and Newhall County Water District would like to give their testimony.

Commissioner Smith asked for clarification that CLWA, as the wholesale water provider, provides water service to a number of other agencies, NCWD, being one of those agencies CLWA services. Mr. Byrne said “yes”. Commissioner Smith then asked when did CLWA acquire Valencia Water Company. Mr. Byrne stated that, about 3 years, the CLWA purchased stock from the VWC, which is still a private entity. Commissioner Smith asked if CLWA acquired other agencies. Mr. Byrne stated that CLWA acquired the Santa Clarita Water Company in 1999, which is now part of the public agency (Castaic Lake Water Agency).

CLWA provides both wholesale water and retail water. There are other examples in the State where water wholesalers provide both wholesale and retail water service. There's no law which requires that a water agency can only be a wholesale water provider. MWD is one example where it provides both wholesale and retail water service. First Vice-Chair Dear thanked Mr. Byrne for his testimony.

Matt Stone (General Manager, Castaic Lake Water Agency) and Steve Cole (General Manager, Newhall County Water District) came before the Commission. Mr. Stone stated that he has had many years of experience working with LAFCOs in three different counties, and was very successful in the consolidation of two wholesale water districts. When the voters formed CLWA, the main issue was bringing in imported water, just as West Basin Municipal Water District was formed to bring in imported water through Met. Over time, the circumstances have evolved, and water resources management has changed. In the 1960s, water conservation wasn't an issue, and water agencies were not recycling water. Perchlorate contamination is now an issue in the Santa Clarita Valley. It was CLWA who had the scope that expanded across the individual water retailers who were impacted by the contamination. These water retailers pooled together as a group and entered into litigation against the polluters and ended up with a settlement of over \$100 million, a cost-savings to the community which otherwise would have been paid by ratepayers to clean up the contamination at the Whittaker Bermite site. CLWA has an agreement that provides on-going annual payments from the defendants in the case, in a settlement, for perchlorate treatment. That was a group effort. Mr. Stone stated that he believed this case unified "water thinking" in the Santa Clarita Valley.

Mr. Stone stated that we are now in an era where state policies are encouraging watershed basin planning, integrated water management plans, and urban water management plans that are reviewed on a regional and retail level. The newly implemented Sustainability Groundwater Management Act requires basin-wide substantiality planning. All of those water plans previously mentioned are pushing us to work regionally. Mr. Stone noted that when the two Boards of CLWA and NCWD met two years ago to resolve their litigation, and eventually through a facilitator, both agencies reached a common future vision to serve the Santa Clarita Valley. Mr. Stone stated that from a water resources management standpoint, the idea of consolidation makes sense. Mr. Stone stated that Mr. Cole will address efficiency gains by unifying retail water and wholesale water service. Mr. Stone stated that CLWA is not creating a water empire, it is trying to take the next logical step towards good water resources management and great customer service. Mr. Stone stated that CLWA and NCWD would like to expedite their vision.

Mr. Cole stated that an economies-of-scale study was conducted. The study conducted that efficiencies would be gained through the proposed consolidation. It was concluded that in a 10-year process, there would be a cost savings of \$14 million between the two agencies through economies-of-scale. The study also includes the governance structure, the integrated water resource planning and analysis, and a proposed service area map. Mr. Cole stated that the

Newhall County Water District conducted community outreach through workshops. Our customers and the public support to move forward with the consolidation. Mr. Cole noted that the Newhall County Water District voted 4-1 in favor of the consolidation.

[First Vice-Chair Dear left at 10:10 a.m.]

Second Vice-Chair McCallum conducted the meeting in the First Vice-Chair Dear's absence.

Commissioner Finlay asked Mr. Cole what will happen to your position as General Manager at the Newhall County Water District if the consolidation is successful. Mr. Cole stated that the previous mentioned study discusses how the economies-of-scale would be achieved. Both agencies have committed that those economies-of-scale would be achieved through attrition. There will not be direct lay-offs in the beginning but through the normal attrition of the agencies, there will be a cost-savings of 7% through staffing resources. Specific positions have not yet been identified.

Commissioner Finlay asked what happens to Newhall County Water District's Board if the consolidation is successful. Mr. Cole stated that the governance portion of the study explains how the new governance structure would be implemented. In the beginning, both Boards would merge, and then transitioned into a smaller Board over time through election cycles. The governance structure is set up in three divisions equally for voting purposes. Currently, NCWD is at-large and CLWA is a mixture of division at-large and appointed board-members. Mr. Cole stated that the California Voters Rights Act requirements will also be addressed.

Commissioner McCallum asked if the Commission had any other questions.

Commissioner Ruzicka asked if 14 of out the 15 Board members of both districts are in-favor of the consolidation. Mr. Cole said "yes".

Commissioner Ruzicka asked what is CLWA's relationship to MWD. Mr. Stone stated that CLWA is not a member agency of MWD.

Commissioner Finlay stated that she would abstain from voting on Item 9.b. due to lack of information, and requested that a comprehensive staff report be available at the April 12<sup>th</sup> meeting.

[First Vice-Chair Dear returned at 10:20 a.m.]

First Vice-Chair Dear conducted the meeting.

Commissioner Smith stated that it would be helpful to the Commissioners if the E.O. added additional information to the staff report – that LAFCO had requested that the Committee

postpone the hearing with the Committee for a couple of weeks while continuing negotiations.

Commissioner Smith stated that it would be in the best interest of the Commission to find a hybrid solution. Commissioner Smith suggested that in lieu of where the Committee did not postpone the hearing on SB 634, then send an “oppose unless amended” letter to Senator Wilk’s Office.

Commissioner Close asked if the revised motion is “oppose as amended” and that LAFCO should have a role in the proposed consolidation. The E.O. said “yes”.

The E.O. asked for confirmation that staff should contact Senator Wilk’s Office and ask if he would agree to postponing the Committee’s consideration of the bill until after the April 12<sup>th</sup> LAFCO meeting. This would give staff around four weeks to meet and discuss the matter further with both agencies. If the meeting of March 28<sup>th</sup> with the Committee moves forward, then prepare an “oppose unless amended” letter to Senator Wilk’s Office. Commissioner Smith said “yes”.

The E.O. noted that Mr. Stone stated that the hearing on SB 634 on March 28<sup>th</sup> is with the Senate Natural Resources and Water Committee, not the Senate and Governance Finance Committee. The E.O. noted that the “oppose unless amended” letter to be sent out can be applied to any of the two committees: Senate and Governance Finance Committee or the Senate Natural Resources and Water Committee.

Commissioner Finlay rescinded her abstention for Agenda Item 9.c.

The Commission took the following **as amended** action:

- Directed the Executive Officer to contact Senator Wilk’s Office to request a postponement, until after the April 12<sup>th</sup> Commission meeting, on the hearing for the consideration of SB 634 by the Senate Natural Resources and Water Committee scheduled for March 28, 2017;
- Directed the Executive Officer to be in further discussion with Castaic Lake Water Agency and Newhall County Water District;
- If, Senator Wilk does not agree to postpone the hearing on SB 634, directed the Executive Officer to draft an “oppose unless amended” letter for signature by First Vice Chair Dear or Second Vice-Chair McCallum to Senator Wilk’s Office, in advance, of the Senate Natural Resources and Water Committee on March 28<sup>th</sup>.

MOTION: CLOSE  
SECOND: McCALLUM  
AYES: CLOSE, DEAR, FINLAY, McCALLUM, RUZICKA (ALT. FOR  
GLADBACH), RYU, SPENCE  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: BARGER, HAHN  
MOTION PASSES: 7/0/1

As stated earlier, Chair Gladbach recused himself from Agenda Item 9.c.

[Commissioner Ryu left at 10:21 a.m.]

[Chair Gladbach returned at 10:21 a.m.]

Chair Gladbach returned after discussion of Agenda Item 9.c., and conducted the remainder of the meeting.

#### 10 COMMISSIONERS' REPORT

None.

#### 11 EXECUTIVE OFFICER'S REPORT

The E.O. noted that a copy of a letter (provided to the Commissioners) from CV Communities thanked the E.O. and staff, Alisha O'Brien and Doug Dorado, for their help and attentiveness to an annexation that was recently approved by the Commission.

Commissioner Spence requested an update regarding the City of Vernon annexation into the Greater Los Angeles County Vector Control District (GLACVCD or District). The E.O. stated that he recently attended a meeting with Truc Dever (General Manager, Greater Los Angeles County Vector Control District), GLACVCD Board member who is also a Councilmember with the City of Lakewood, members of the Vernon Chamber of Commerce, and a representative from the City of Vernon. The business community stated that it supports the annexation. It was determined that the business owners within the City of Vernon have agreed to provide the District access to properties when requested by the District. Some business owners have voiced that there are problems with midge flies and mosquitos, since the Los Angeles River is adjacent to those businesses, and are eager to have mosquito and vector control services. The E.O. stated that he plans to agendize an item at next month's meeting regarding vector control services in the City of Vernon.

Commissioner Spence stated that he is pleased that a proposed annexation of the City of Vernon

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into the GLACVCD boundary is moving forward. This is a serious health risk that needs to be addressed.

The E.O. stated that Supervisor Barger's Office provided contact person at the Los Angeles County Department of Public Health, and that person is advising LAFCO and the GLACVCD. The E.O. stated that he had encouraged Vernon's elected officials to reach out to elected officials who sit on the GLACVCD Board. The Mayor of Vernon has spoken with the Councilmember of Lakewood who also sits on the GLACVCD Board. The E.O. stated that there will need to be support from the GLACVCD Board members to advocate the annexation.

## 12 PUBLIC COMMENT

None.

## 13 FUTURE MEETINGS

April 12, 2017  
May 10, 2017  
June 14, 2017  
July 12, 2017

## 14 FUTURE AGENDA ITEMS

None.

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## 15 ADJOURNMENT MOTION

Commission Finlay asked if there was a change at the last minute regarding a different meeting room location at today's meeting. The E.O. stated that he was not aware that the room would be moved until he received an e-mail from Supervisor Barger's staff stating the Board of Supervisors (BOS) is holding a meeting on the same day as today's LAFCO meeting. With the election held on Tuesday, the BOS meeting was moved to today (Wednesday). The Agenda package referred to Room 374-A.

Commissioner McCallum stated that he encountered issues regarding parking. The E.O. stated that there have been on-going issues regarding parking, and he apologized for any inconvenience this may have caused.

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On motion of Commissioner Finlay, seconded by Commissioner Dear, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Paul Novak, AICP, Executive Officer

10:13 AM

04/03/17

Accrual Basis

# LAFCO 03 Register Report March 2017

Type	Date	Num	Name	Memo	Amount	Balance
<b>10000 Cash Unrestricted</b>						
<b>10003 Operating Account</b>						
Bill Pmt -Check	03/02/2017	8328	80 South Lake LLC	NO000758-1	-8,786.82	-8,786.82
Bill Pmt -Check	03/02/2017	8329	CALAFCO	CALAFCO 2017 Confe...	-340.00	-9,126.82
Bill Pmt -Check	03/02/2017	8330	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-9,251.82
Bill Pmt -Check	03/02/2017	8331	Motor Parks	Cust#025-001, Unreser...	-540.00	-9,791.82
Bill Pmt -Check	03/02/2017	8332	Office Depot*		-162.87	-9,954.69
Bill Pmt -Check	03/02/2017	8333	Platinum Consulting	LA LAFCO	-2,167.50	-12,122.19
Bill Pmt -Check	03/09/2017	8334	Alisha O'Brien*	Reimbursement: Mileage	-82.24	-12,204.43
Bill Pmt -Check	03/09/2017	8335	Certified Records Managment	Storage period 03/01/1...	-281.73	-12,486.16
Bill Pmt -Check	03/09/2017	8336	Charter Communications	Acct # 8245100171576...	-497.49	-12,983.65
Bill Pmt -Check	03/09/2017	8337	CoreLogic	Acct#200-694038-RR6...	-28.80	-13,012.45
Bill Pmt -Check	03/09/2017	8338	Daily Journal		-37.50	-13,049.95
Bill Pmt -Check	03/09/2017	8339	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-13,174.95
Bill Pmt -Check	03/09/2017	8340	LACERA	LAFCO OPEB: Feb 20...	-1,906.49	-15,081.44
Bill Pmt -Check	03/09/2017	8341	Office Depot*		-251.66	-15,333.10
Bill Pmt -Check	03/09/2017	8342	Promac Imaging Systems Co	Acct#LA07, 01/28/17-0...	-121.97	-15,455.07
Bill Pmt -Check	03/09/2017	8343	Registrar-Recorder/County Clerk	Annexation#2008-09 L...	-75.00	-15,530.07
Bill Pmt -Check	03/09/2017	8344	Wells Fargo	Bill ID 90136655707, 0...	-380.63	-15,910.70
Bill Pmt -Check	03/13/2017	8345	Registrar-Recorder/County Clerk	Annexation#2008-09 L...	-2,216.00	-18,126.70
Check	03/15/2017	DD	Ambar De La Torre	Salary, March 15, 2017	-1,715.25	-19,841.95
Check	03/15/2017	DD	Douglass Dorado	Salary, March 15, 2017	-2,599.19	-22,441.14
Check	03/15/2017	DD	Michael E. Henderson	Salary, March 15, 2017	-1,898.63	-24,339.77
Check	03/15/2017	DD	Patricia Knoebel-Wood	Salary, March 15, 2017	-1,253.41	-25,593.18
Check	03/15/2017	DD	Paul Novak	Salary, March 15, 2017	-4,167.65	-29,760.83
Check	03/15/2017	DD	Alisha O'Brien	Salary, March 15, 2017	-1,995.60	-31,756.43
Check	03/15/2017	DD	Federal Tax Deposit	Payroll Taxes, March 1...	-3,716.69	-35,473.12
Check	03/15/2017	DD	State Income Tax	Salary, March 15, 2017	-860.87	-36,333.99
Bill Pmt -Check	03/16/2017	8346	FedEx*	Acct#1244-7035-8	-161.43	-36,495.42
Bill Pmt -Check	03/16/2017	8347	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-36,620.42
Bill Pmt -Check	03/16/2017	8348	MetLife*	Cert#32429435, P. Nov...	-480.00	-37,100.42
Bill Pmt -Check	03/16/2017	8349	Motor Parks	Cust#025-001, 1 Hr, 20...	-540.00	-37,640.42
Bill Pmt -Check	03/16/2017	8350	Office Depot*	Acct#32368442	-57.70	-37,698.12
Check	03/17/2017	49001...	ADP	Processing charges for ...	-145.11	-37,843.23
Bill Pmt -Check	03/23/2017	8351	ATT	Acct#990566760, 03/1...	-230.25	-38,073.48
Bill Pmt -Check	03/23/2017	8352	Bank of America*	BoFA 4024 4210 0091 5...	-686.53	-38,760.01
Bill Pmt -Check	03/23/2017	8353	County Counsel	Legal services: January...	-5,857.66	-44,617.67
Bill Pmt -Check	03/23/2017	8354	CTS Glendale		-637.50	-45,255.17
Bill Pmt -Check	03/23/2017	8355	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-45,380.17
Bill Pmt -Check	03/23/2017	8356	LA County Chief Administrative Office	Cust#C000766, Jul-De...	-904.12	-46,284.29
Bill Pmt -Check	03/23/2017	8357	LACERA	VOID: Employee/Emp...	0.00	-46,284.29
Bill Pmt -Check	03/23/2017	8358	Paul A. Novak	Meeting: Wilk	-77.81	-46,362.10
Bill Pmt -Check	03/23/2017	8359	Platinum Consulting	LA LAFCO	-783.75	-47,145.85
Bill Pmt -Check	03/23/2017	8360	The Lincoln National	LALAFCO-BL-1565902	-202.26	-47,348.11
Bill Pmt -Check	03/23/2017	8361	Tropical Interior Plants	Service: February 2017	-100.00	-47,448.11
Check	03/24/2017	49064...	ADP	EZLaborManager: Marc...	-51.50	-47,499.61
Bill Pmt -Check	03/30/2017	8362	80 South Lake LLC	NO000758-1	-7,748.17	-55,247.78
Bill Pmt -Check	03/30/2017	8363	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-55,372.78
Bill Pmt -Check	03/30/2017	8364	LACERA	Employee/Employer c...	-9,153.57	-64,526.35
Bill Pmt -Check	03/30/2017	8365	Mail Finance	Cust#416653, 12-Jan-1...	-205.40	-64,731.75
Bill Pmt -Check	03/30/2017	8366	Motor Parks	Cust#025-001, Unreser...	-540.00	-65,271.75
Bill Pmt -Check	03/30/2017	8367	Neofunds	Acct#7900 0445 2259 ...	-647.89	-65,919.64
Bill Pmt -Check	03/30/2017	8368	Newhall County	Refund#2015-06, 2015...	-210.00	-66,129.64
Bill Pmt -Check	03/30/2017	8369	Office Depot*	Acct#32368442	-100.14	-66,229.78
Check	03/30/2017	31319...	Kathryn Barger	Stipend, March 30, 2017	-134.89	-66,364.67
Check	03/30/2017	31319...	Lori W. Brogin	Stipend, March 30, 2017	-138.52	-66,503.19
Check	03/30/2017	31319...	Richard Close	Stipend, March 30, 2017	-286.35	-66,789.54
Check	03/30/2017	DD	Donald L. Dear	Stipend, March 30, 2017	-138.52	-66,928.06
Check	03/30/2017	31319...	Margaret E. Finlay	Stipend, March 30, 2017	-138.52	-67,066.58
Check	03/30/2017	31319...	Edward G. Gladbach	Stipend, March 30, 2017	-138.53	-67,205.11
Check	03/30/2017	DD	Janice Hahn	Stipend, March 30, 2017	-136.46	-67,341.57
Check	03/30/2017	DD	Gerard McCallum II	Stipend, March 30, 2017	-138.53	-67,480.10
Check	03/30/2017	DD	David E Ryu	Stipend, March 30, 2017	-138.52	-67,618.62
Check	03/30/2017	31319...	Greig L. Smith	Stipend, March 30, 2017	-138.52	-67,757.14
Check	03/30/2017	DD	David Spence	Stipend, March 30, 2017	-138.52	-67,895.66
Check	03/30/2017	DM	Federal Tax Deposit	Payroll Taxes, March 3...	-215.33	-68,110.99
Check	03/30/2017	DD	Ambar De La Torre	Salary, March 30, 2017	-1,715.25	-69,826.24
Check	03/30/2017	DD	Douglass Dorado	Salary, March 30, 2017	-2,599.19	-72,425.43
Check	03/30/2017	DD	Michael E. Henderson	Salary, March 30, 2017	-1,898.63	-74,324.06
Check	03/30/2017	DD	Patricia Knoebel-Wood	Salary, March 30, 2017	-1,253.42	-75,577.48
Check	03/30/2017	DD	Paul Novak	Salary, March 30, 2017	-4,167.65	-79,745.13
Check	03/30/2017	DD	Alisha O'Brien	Salary, March 30, 2017	-1,995.60	-81,740.73
Check	03/30/2017	DM	Federal Tax Deposit	Payroll Taxes, March 3...	-3,716.68	-85,457.41
Check	03/30/2017	DM	State Income Tax	Salary, March 30, 2017	-860.87	-86,318.28



10:13 AM

04/03/17

Accrual Basis

**LAFCO 03**  
**Register Report**  
**March 2017**

Type	Date	Num	Name	Memo	Amount	Balance
Total 10003 Operating Account					-86,318.28	-86,318.28
Total 10000 Cash Unrestricted					-86,318.28	-86,318.28
<b>TOTAL</b>					<b>-86,318.28</b>	<b>-86,318.28</b>

AGENDA ITEM NO. 6c - April 12, 2017

PENDING PROPOSALS AS OF APRIL 4, 2017

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
1	DD	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	DD	Annexation No. 2006-48 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	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	12/1/2006	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley fw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Need BOE fees to place on agenda for approval	9/22/2008	Unknown
5	DD	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	approved and ordered March 8, 2017	12/5/2008	Apr-2015
6	DD	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
7	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. Need to include DUC.	10/25/2010	Unknown
8	DD	Reorganization 2011-16 (Tesoro del Valle)	Montalvo Properties LLC	Annexation to NCWD and CLWA SOI Amendments for both districts. 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. Project has changed ownership. Need new application	5/5/2011	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
9	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
10	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
11	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
12	DD	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.TTR is in the review process, est BOS Feb 2017	7/15/2014	Unknown
13	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
14	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
15	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, 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
16	DD	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.	agenda, May 10, 2017	9/24/2015	Jun-2017
17	DD	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.	agenda, May 10, 2017	9/24/2015	Jun-2017
18	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
19	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.	approved and ordered March 8, 2017	1/28/2016	Apr-2015
20	DD	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 Carmichael Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
21	DD	Annexation No. 2016-31 to the San Gabriel Valley Mosquito and Vector Control District	San Gabriel Valley Mosquito and Vector Control District	Annex 2,221 acres of inhabited territory to the San Gabriel Valley Mosquito and Vector Control District. The affected territory includes the entire City of South Pasadena. Amendments to the SGVMVCD Sphere of Influence to include the entire cities of South Pasadena and Baldwin Park.	Notice of Filing sent 09-08-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	8/30/2016	Unknown
22	AD	Annexation No. 2016-32 to the San Gabriel Valley Mosquito and Vector Control District	San Gabriel Valley Mosquito and Vector Control District	Annex 4,333 acres of inhabited territory to the San Gabriel Valley Mosquito and Vector Control District. The affected territory includes the entire City of Baldwin Park.	Notice of Filing sent 09-08-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	8/30/2016	Unknown
23	AD	Annexation 424 to District No. 14	Sanitation Districts	20.24 acres of uninhabited territory. Located on 30th Street West approximately 600 feet north of Avenue I, all within the City of Lancaster.	March 8, 2017 agenda	10/6/2016	Apr-2017
24	AD	Annexation 425 to District No. 14	Sanitation Districts	20.26 acres of uninhabited territory. Located on the northwest corner of Avenue H and Division Street, all within the City of Lancaster.	March 8, 2017 agenda	10/6/2016	Apr-2017
25	AD	Annexation 422 to District No. 14	Sanitation Districts	40.149 acres of uninhabited territory. Located on the northwest corner of Avenue L and 60th Street West, all within the City of Lancaster.	Notice of Filing sent 11-3-16 Incomplete filing: property tax transfer resolution.	11/2/2016	Unknown
26	DD	Reorganization No. 2016-08 to the City of Bradbury	City of Bradbury	2.96 acres of uninhabited territory located east of the intersection of Wild Rose Ave and Deodar Lan, in the City of Monrovia	Notice of Filing Sent 11-1-16 Incomplete filing: property tax transfer resolution, additional LAFCO fees, pre-zoning, registered voter info, approved map and legal.	10/25/2016	Unknown
27	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1081	Sanitation Districts	72.46 acres of uninhabited territory. Located on Henry Mayo Drive approximately 400 feet southwest of Commerce Center Drive, all within Unincorporated Los Angeles County.	Notice of Filing sent 12-6-16 Incomplete filing: property tax transfer resolution.	11/23/2016	Unknown
28	DD	Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (entire City of Pasadena)	San Gabriel Valley Mosquito and Vector Control District	14,800 acres of inhabited territory. The entire City of Pasadena is bordered by the City of La Canada Flintridge and the unincorporated communities of La Crescenta-Montrose, Altadena, and Kimmeloa Mesa to the north, the cities of Sierra Madre and Arcadia to the east, the cities of San Marino and South Pasadena to the south, and the cities of Los Angeles and Glendale to the west.	Notice of Filing sent 01-30-16 Incomplete filing: property tax transfer resolution, approved of map and legal	1/25/2017	Unknown
29	AD	Annexation 751 to District No. 21	Sanitation Districts	0.545 acres of uninhabited territory. Located on Foothill Boulevard immediately south of Regis Avenue, all within the City of Claremont.	Notice of Filing sent 02-09-17 Incomplete filing: property tax transfer resolution.	2/2/2017	Unknown
30	AD	Annexation 426 to District No. 22	Sanitation Districts	51.65 acres of uninhabited territory. Located south of Interstate 10 immediately east of Mesquite Lane, all within Unincorporated Los Angeles County.	Notice of Filing sent 02-09-17 Incomplete filing: property tax transfer resolution.	2/2/2017	Unknown
31	AD	Annexation 296 to District No. 15	Sanitation Districts	2.84 acres of uninhabited territory. Located on Turnbull Canyon Road approximately 200 feet north of Las Lomitas Drive, all within Unincorporated Los Angeles County.	Notice of Filing sent 02-09-17 Incomplete filing: property tax transfer resolution.	2/6/2017	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
32	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1084	Sanitation Districts	236.34 acres of uninhabited territory. Located on The Old road immediately west of Interstate 5, approximately 2,500 feet south of Pico Canyon Road, all within unincorporated Los Angeles County.	Notice of Filing sent 02-14-17 Incomplete filing: property tax transfer resolution.	2/13/2017	Unknown
33	DD	Annexation No. 2017-03 to the Antelope Valley Cemetery District	Antelope Valley Cemetery District	inhabited territory. Located in and around the City of Palmdale (Parcel 1) and around the unincorporated area of Gorman (Parcel 2)	Notice of Filing sent 3-16-17 Incomplete filing: property tax transfer resolution, party disclosure, map and legal	3/13/2017	Unknown

## **Staff Report**

**April 12, 2017**

### **Agenda Item No. 7.b.**

#### **Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Recreation and Park Districts (RPDs) (Miraleste Recreation and Park District, Ridgecrest Ranchos Recreation and Park District, and Westfield Recreation and Park District)**

##### Executive Summary

Municipal Service Reviews and Sphere of Influence updates have been conducted for the three cemetery districts in the County. **Staff recommends retaining the existing SOI boundaries for the Miraleste Recreation and Park District (Miraleste RPD) and the Westfield Recreation and Park District (Westfield RPD). Staff also recommends retaining the existing SOI boundaries for the Ridgecrest Ranchos Recreation and Park District, and, further, directing staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.**

Given the small size of the Miraleste Recreation and Park District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Miraleste Recreation and Park District

Given the small size of the Westfield Recreation and Park District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Westfield Recreation and Park District

With respect to the Ridgecrest Ranchos RPD, the District's board of directors has asked LAFCO to postpone consideration of a dissolution for the next year. In the future, and should staff determine that a transfer of service responsibility and associated property tax revenues is feasible, staff would likely return with a future recommendation that the Commission adopt a Zero Sphere of Influence ("Zero SOI") for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes.

### Miraleste Recreation and Park District

The Miraleste Recreation and Park District (“Miraleste RPD” or “District”) was formed on June 14, 1940. The boundaries of the Miraleste RPD include 390 parcels, 375 homes, covering 350 acres, with a population of approximately 925 people, all within the City of Rancho Palos Verdes.

The District is governed by a five-member board of directors which meets at 7:30 p.m. on the first Monday of every other month (even months). Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.

The District owns and maintains approximately 40 acres of undeveloped canyon areas, parks, and trails in the Miraleste neighborhood of the City of Rancho Palos Verdes.

The Commission established a Coterminous Sphere of Influence (SOI) for the District on November 9, 1983. The Commission reconfirmed the Coterminous SOI on June 23, 2004.

### Ridgecrest Ranchos Recreation and Park District

The Ridgecrest Ranchos Recreation and Park District (“Ridgecrest Ranchos RPD” or “District”) was formed on November 13, 1961.

The boundaries of the Ridgecrest Ranchos RPD include 110 parcels, 107 homes, covering 70.4 acres, with a population of approximately 315 people, all within the City of Rancho Palos Verdes.

The District is governed by a five-member board of directors. Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors. The District’s Board meets on a quarterly basis at a local library on the first Tuesday in January, April, July, and September.

The District owns and maintains 0.78 acres of vacated former right-of-way along the Crenshaw Boulevard frontage of the Crestridge neighborhood. The District’s properties are in distinct and separate locations along Crenshaw Boulevard, both north and south of Crestridge Road (see Exhibit 4 on Page 17). According to District representatives, the District has no employees nor contractors.

The Commission established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004.



### Westfield Recreation and Park District

The Westfield Recreation and Park District (“Westfield RPD” or “District”) was formed in 1957.

The boundaries of the Westfield RPD include 306 parcels, 304 homes, covering 198.4 acres, with a population of approximately 800 people, all within County unincorporated territory adjoining the City of Rolling Hills (to the south and southeast), unincorporated territory (to the north), and the City of Rolling Hills Estates (to the northeast and northwest).

The District is governed by a five-member board of directors who serve without compensation. Board-members serve terms of four years and there are no term limits. Board-members run for office or are appointed “in-lieu” (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.

The Board normally meets on the third Thursday of the month at 7:00 p.m. at the Rolling Hills Estates George F. Canyon Nature Center.

The District landscapes and maintains trails, a tennis court, and an equestrian ring. According to District representatives, the District has no employees nor contractors; landscape/maintenance of the District facilities is provided by outside vendors.

The Commission established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004.

### Recreation and Park Districts Draft SOI Determinations

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

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

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

56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

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

Pursuant to Section 56425(e), the Commission is required to “consider and prepare a written statement of its determinations” prior to adopting or updating an SOI. Staff has prepared the following recommended SOI determinations for the Miraleste Recreation and Park District, the Ridgecrest Ranchos Recreation and Park District, and the Westfield Recreation and Park District.

#### **Miraleste Recreation and Park District**

- A. Present and planned land uses in the area: Territory within the Miraleste Recreation and Park District consists of developed single-family dwellings and recreational uses.
- B. Present and probable need for public facilities and services in the area: Local residents in the Palos Verdes Peninsula cities and unincorporated neighborhoods benefit from active recreational opportunities (trails) as well as the viewsheds afforded by permanent open space. The general public’s present and probable needs for the types of public facilities acquired, operated, and maintained by the District will continue indefinitely.
- C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: In combination with similar facilities operated by other local public agencies, the existing trails and open space areas operated and maintained by the District are adequate to serve the relatively low-density population in the Palos Verdes Peninsula.
- D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
- E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI: There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Miraleste RPD and its SOI.

These recommended SOI determinations for the Miraleste Recreation and Park District are addressed in Section 2 (Pages 3-4) of the attached Resolution Making Determinations No. 2017-00RMD.

### **Ridgecrest Ranchos Recreation and Park District**

- A. Present and planned land uses in the area: Territory within the Ridgecrest Ranchos Recreation and Park District consists of developed single-family dwellings, entryway signage and landscaping, and public rights-of-way.
- B. Present and probable need for public facilities and services in the area: Residents of the Crestridge neighborhood, as well as visitors benefit from the entryway signage and landscaping maintained by the District. The entryway serves as a gateway to the Crestridge neighborhood and assists visitors attempting to locate this community. The general public's present and probable needs for these public facilities, and the associated benefits, will continue indefinitely.
- C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: The entryway signage and landscaping adequately provide a gateway to the Crestridge neighborhood and assist visitors attempting to locate this community.
- D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
- E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI: There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Ridgecrest Ranchos RPD and its SOI.

These recommended SOI determinations for the Ridgecrest Ranchos Recreation and Park District are addressed in Section 2 (Pages 3-4) of the attached Resolution Making Determinations No. 2017-00RMD.

### **Westfield Recreation and Park District**

- A. Present and planned land uses in the area: Territory within the Westfield Recreation and Park District consists of developed single-family dwellings and recreational uses.
- B. Present and probable need for public facilities and services in the area: Local residents in the Palos Verdes Peninsula cities and unincorporated neighborhoods benefit from active recreational opportunities (trails, tennis courts and equestrian ring) as well as the viewsheds afforded by permanent open space. The general

public's present and probable needs for the types of public facilities acquired, operated, and maintained by the District will continue indefinitely.

- C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: In combination with similar facilities operated by other local public agencies, the existing trails, tennis courts and equestrian ring operated and maintained by the District are adequate to serve the relatively low-density population in the Palos Verdes Peninsula.
- D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
- E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI: There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Westfield RPD and its SOI.

These recommended SOI determinations for the Westfield Recreation and Park District are addressed in Section 2 (Pages 3-4) of the attached Resolution Making Determinations No. 2017-00RMD.

### **Recreation and Park Districts Draft MSR Determinations**

In order to prepare and to update a district SOI, the Commission is required, pursuant to Section 56430, to conduct a review of the municipal services in that particular district, and, further, to "consider and prepare a written statement of its determinations." Staff has prepared the following recommended MSR determinations for the Miraleste Recreation and Park District, the Ridgecrest Ranchos Recreation and Park District, and the Westfield Recreation and Park District.

### **Miraleste Recreation and Park District**

#### **Population Projections:**

- Territory within the Miraleste Recreation and Park District consists of developed single-family dwellings and recreational uses; the population is unlikely to grown significantly in the foreseeable future.

*Disadvantaged Unincorporated Communities:*

- There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Miraleste RPD and its Coterminous SOI.

*Present and Planned Capacity of Public Facilities:*

- Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.

*Financial Ability of Agencies to Provide Services:*

- The District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.
- The District should continue to maintain emergency reserves of fifteen percent (15%) of its overall budget.

*Status of, and Opportunities for, Shared Facilities:*

- There are no apparent opportunities to share facilities with other agencies.

*Accountability for Community Service Needs:*

- The District should continue to conduct open and posted board meetings every other month (even months).
- District representatives should devote resources to overhauling its website, in an effort to provide more readily-available information in an on-line format.

*Other Matters:*

No Additional Determinations:

These recommended MSR determinations for the Miraleste Recreation and Park District are addressed in Chapter Three (Pages 11-13) of the attached Draft Recreation and Park Districts Municipal Service Review.

The Miraleste Recreation and Park District's Existing Coterminous SOI was established on November 9, 1983. On June 23, 2004, the Commission reconfirmed the Coterminous SOI in the course of adopting the Miscellaneous Government Services Municipal Service Review. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Miraleste Recreation and Park District.

### **Ridgecrest Ranchos Recreation and Park District**

#### Population Projections:

- Territory within the Ridgecrest Ranchos Recreation and Park District consists of developed single-family dwellings and public rights-of-way; the population is unlikely to grow significantly in the foreseeable future.

#### Disadvantaged Unincorporated Communities:

- There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Ridgecrest Ranchos RPD and its Coterminous SOI.

#### Present and Planned Capacity of Public Facilities:

- Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.

#### Financial Ability of Agencies to Provide Services:

- Over the recent few years, the District's revenues and expenditures seem to be reasonably correlated, with modest fluctuations.
- It is not clear whether there exists any long-term infrastructure needs or necessary capital improvements required to continue providing landscaping maintenance in the long-term.

#### Status of, and Opportunities for, Shared Facilities:

- There are no apparent opportunities to share facilities with other agencies.

Accountability for Community Service Needs:

- The District should continue to conduct open and posted board meetings on a quarterly basis.
- District representatives should consider establishing a website in order to provide more information to the public in an on-line format.

Other Matters:

No additional determinations.

These recommended MSR determinations for the Ridgecrest Ranchos Recreation and Park District are addressed in Chapter Three (Pages 19-21) of the attached Draft Recreation and Park Districts Municipal Service Review.

Discussion/Analysis

Amongst the service obligations, and geographic territory served, by the 53 independent special districts in Los Angeles County, the Ridgecrest Ranchos RPD has relatively limited responsibilities. The geographic area of responsibility is less than one acre; within that area, the District provides one service, which is to maintain existing landscaping.

All public agencies have certain unavoidable expenditures, including, but not limited to, the preparation and posting of agendas; retaining staff or vendors to perform work; commissioning of annual audits by a third party; and providing information to other public agencies and the public; and related expenses. In addition to these tangible expenditures, it is also reasonable to consider the time, effort, and commitment expended by board-members in volunteering to serve, and the associated responsibilities to attend meetings, formulate budgets, manage contractors, and so forth.

**The issue this presents for the Commission (LAFCO) is one of service efficiency and governance: is it within the public interest for the District to continue providing these services, or would it be more efficient and cost-effective for these services be provided by another public agency? In this particular case, the geographic area in which the District maintains landscaping, and the boundaries of the entire district, are within the City of Rancho Palos Verdes (City). In this regard, the only other likely service provider is the City itself.**

The first issue associated with a change in service providers is whether the City of Rancho Palos Verdes has the ability to assume the services currently performed by the District. Landscape maintenance is a relatively routine service performed by most cities, and financial information

available to LAFCO suggests that the City could easily assume these functions currently provided by the District. The City's 2014-2015 Comprehensive Annual Financial Report identifies \$27.8 million in expenditures for primary government activities, \$1.7 million dedicated to parks and recreation, and \$1.89 million in capital outlays for parks/trails/open space improvements.<sup>29</sup> The City currently receives 37% of its revenue from property taxes.<sup>30</sup> Further, the City is actively involved in a number of programs to acquire new open space, parks, and trails; to improve existing facilities, such as recent projects at Abalone Cove Shoreline Park and Ryan Park; and implement long-term master planning efforts, like updating the Parks Master Plan.<sup>31</sup>

Staff's initial review suggests that the City's assumption of responsibilities currently performed by the District, along with the associated transfer of the share of property taxes currently allocated to the District, would have a nominal effect on overall City operations. It would, further, eliminate the need for District elections (or in-lieu appointments), board meetings, posting of agendas, vendors under contract to the District, and the hiring of a certified public accountant to prepare annual audits. Given the modest amount of property tax received by the District, it does not seem prudent to expend these funds on audits, meetings, and regulatory compliance rather than the delivery of services; in that regard, the proposed change in service provides potentially represents a more efficient delivery of government service.

### Outreach

On November 16, 2016, LAFCO staff transmitted a copy of the Draft MSR to members of the Ridgecrest Ranchos RPD board of directors, staff of the City of Rancho Palos Verdes, and Los Angeles County Supervisor Don Knabe. Since then, LAFCO staff has communicated with several of the district's board-members, City of Rancho Palos Verdes staff, and staff of Los Angeles County Supervisors Don Knabe (who formerly represented this area) and Los Angeles County Supervisor Janice Hahn (who currently represents this area).

On December 20, 2016, Rancho Palos Verdes Mayor Brian Campbell sent a letter to LAFCO concerning the Draft MSR and preliminary staff recommendations (copy attached), which includes the following paragraph on Page 2 of the letter:

"The City appreciates that LAFCO is charged with the duty to assess the efficiency and efficacy of the delivery of municipal services by special districts. It seems clear that, due to the limited size, real property holdings and maintenance responsibility of the District, it may now be more efficient and effective for these responsibilities to be assumed by the City. However, the City also respects the authority of the District as an independent agency that has provide services to its residents since before the City incorporated in 1973. Therefore, the City is open to considering the [preliminary] recommendation to adopt a Zero SOI for the District and to assume the



District's responsibilities, providing that the District does not object to such action." [Emphasis added]

On March 14, 2017, LAFCO staff, along with a representative of the City of Rancho Palos Verdes, met with the Ridgecrest Ranchos Park & Recreation District Board of Directors. Although the parties engaged in a candid discussion of the advantages and disadvantages of a dissolution, but no decision was reached by the board-members present in terms of the preliminary staff recommendations in the Draft MSR.

A week after the meeting, a board-member contacted LAFCO staff, and stated that the board would like to hold off on any further discussion of a district dissolution for the next year or so. The district's board is about to move forward with a project to reconstruct the existing monument walls and signage, which is expected to take several months. Additionally, the board is currently short a fifth member, due to an unexpected resignation. The director indicated that the board would like to complete their project, await the election of a new fifth director, and then proceed with further conversations with City and LAFCO representatives. Should the District decide to support a dissolution, there are some terms and conditions it would like to have all parties consider, and secure certain guarantees from the City concerning future maintenance obligations and responsibilities.

Given these considerations, the Commission may wish to consider two (2) actions:

1. Retain the existing Coterminous Sphere of Influence ("Coterminous SOI") for the District, wherein the service obligations and allocation of property tax revenues would not change. Service responsibilities and property tax revenues would remain with the District; and
2. Direct staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.

With respect to the second option, above, staff notes that it could lead to a future recommendation that the Commission adopt a Zero Sphere of Influence ("Zero SOI") for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes

## **Westfield Recreation and Park District**

### Population Projections:

- Territory within the Westfield Recreation and Park District consists of developed single-family dwellings, recreational uses, and public rights-of-way; the population is unlikely to grow significantly in the foreseeable future.

### Disadvantaged Unincorporated Communities:

- There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Westfield RPD and its Coterminous SOI.

### Present and Planned Capacity of Public Facilities:

- Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes Peninsula, the present and planned capacity of public facilities is adequate.

### Financial Ability of Agencies to Provide Services:

- On an ongoing basis, the District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.
- The District should initiate a strategic planning effort to establish a capital improvement program, and an associated funding plan, to address deferred maintenance and the replacement of the District's infrastructure.

### Status of, and Opportunities for, Shared Facilities:

- There are no apparent opportunities to share facilities with other agencies.

### Accountability for Community Service Needs:

- The District should continue to conduct open and posted board meetings on a monthly basis.
- District representatives should consider establishing a website, in an effort to provide more information to the public in an on-line format.

*Other Matters:*

No additional determinations.

These recommended MSR determinations for the Westfield Recreation and Park District are addressed in Chapter Three (Pages 26-28) of the attached Draft Recreation and Park Districts Municipal Service Review.

The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Westfield Recreation and Park District.

**California Environmental Quality Act (CEQA)**

The recommended Recreation Park Districts MSR and SOI Update are exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the recommended studies, periodic update, and recommended retention of the current Coterminous Spheres of Influence for the Miraleste RPD, the Ridgecrest Ranchos RPD, and Westfield RPDs will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). In the alternative, this recommendation is not a project for purposes of CEQA because it is an organizational activity of government with no direct nor indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

**Staff Recommendation:**

In consideration of information gathered and evaluated for the proposed actions relative to the Recreation and Park Districts Draft MSR and SOI, staff recommends that the Commission:

- 1) Open the public hearing and receive testimony on the proposed Municipal Service Review and Sphere of Influence Update for the Recreation and Park Districts;
- 2) There being no further testimony, close the public hearing;
- 3) Adopt a finding that adoption of the Municipal Service Review and Sphere of Influence Update for the Recreation and Park Districts are exempt the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the recommended studies, periodic update, and recommended

retention of the current Coterminous Spheres of Influence for the Miraleste RPD, the Ridgecrest Ranchos RPD, and Westfield RPDs will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). In the alternative, this recommendation is not a project for purposes of CEQA because it is an organizational activity of government with no direct nor indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines;

- 4) Adopt the April 12, 2017 Recreation and Park Districts Municipal Service Review;
- 5) Adopt the recommended determinations required for a Municipal Service Review as contained in both the staff report and the MSR pursuant to Government Code Sections 56430;
- 6) Adopt the recommended determinations required for the Update of the Spheres of Influence as contained in both the staff report and the MSR pursuant to Government Code Sections 56425:
  - a) Adopt the Resolution Making Determinations, Adopting the MSR and SOI Update for the Miraleste Recreation and Park District;
  - b) Adopt the Resolution Making Determinations, Adopting the MSR and SOI Update for the Ridgecrest Ranchos Recreation and Park District;
  - c) Adopt the Resolution Making Determinations, Adopting the MSR and SOI Update for the Westfield Recreation and Park District;
- 7) Direct the Executive Officer to add the words "Reconfirmed April 12, 2017" to the official LAFCO SOI maps for the Miraleste Recreation and Park District, the Ridgecrest Ranchos Recreation and Park District, and the Westfield Recreation and Park District.

Attachments:

- Draft Resolutions
- Draft Recreation and Park Districts Municipal Service Review and Sphere of Influence Update
- Letter of December 20, 2016, from the City of Rancho Palos Verdes

**RESOLUTION NO. 2017-00RMD**  
**RESOLUTION OF THE LOCAL AGENCY FORMATION**  
**COMMISSION FOR THE COUNTY OF LOS ANGELES ADOPTING THE**  
**MUNICIPAL SERVICE REVIEW (MSR) AND THE SPHERE OF INFLUENCE**  
**(SOI) UPDATE FOR THE MIRALESTE RECREATION AND PARK DISTRICT**

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code Section (Section) 56000 et seq) provides that a Local Agency Formation Commission (LAFCO) must adopt Spheres of Influence (SOIs) of each local governmental agency within its jurisdiction (Section 56425(a)) and that it must update, as necessary, each Sphere every five years (Section 56425(g));

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO;

WHEREAS, Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review prior to or in conjunction with action to update or adopt a Sphere of Influence;

WHEREAS, the Commission has undertaken the MSR and SOI Update for the Miraleste Recreation and Park District;

WHEREAS, the Executive Officer has submitted to the Commission an MSR and SOI Update, including recommendations relative to any potential changes to the existing SOI for the Miraleste Recreation and Park District;

WHEREAS staff shared a copy of the Draft MSR with representatives of the Miraleste Recreation and Park District on November 16, 2016;

WHEREAS, the MSR and SOI Update for the Recreation and Parks Districts contain the determinations required by Section 56430 for the municipal services provided

by the Miraleste Recreation and Park District;

WHEREAS, a map of the existing SOI of the Miraleste Recreation and Park District is attached as Exhibit “2” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, a map of the proposed SOI of the Miraleste Recreation and Park District is attached as Exhibit “3” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set April 12, 2017, as the hearing date on this MSR and SOI study proposal, and gave the required notice of public hearing pursuant to Section 56427;

WHEREAS, after being duly and proper noticed, the Commission held a public hearing on April 12, 2017, and at the hearing the Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard;

WHEREAS, for the Miraleste Recreation and Park District, and pursuant to Section 56430(a)(2), the Commission has considered the impacts of the proposed MSR and SOI Update relative to Disadvantaged Unincorporated Communities (DUCs), noting that there are no DUCs within or contiguous to the Miraleste Recreation and Park District and its SOI;

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that any such reorganizations will not further the goals of orderly development and affordable service

delivery, and therefore will not recommend reorganization of the Miraleste Recreation and Park District;

WHEREAS, the proposed action consists of the adoption of the MSR and adoption of an SOI for the Miraleste Recreation and Park District; and

WHEREAS, the recommended MSR and SOI Update is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the recommended periodic update and recommended confirmation of the current Coterminous Sphere of Influence for the Miraleste Recreation and Park District will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3); and, in the alternative, this recommendation is not a project for purposes of CEQA because it is an organizational activity of government with no direct nor indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The recommended actions are exempt from CEQA as set out herein.
2. The Commission adopts the Municipal Service Review for the Miraleste Recreation and Park District, as prepared and described in the staff report.
3. The Commission adopts the following written determinations and approves the Sphere of Influence Update for the Miraleste Recreation and Park District:

- A. Present and planned land uses in the area: Territory within the Miraleste Recreation and Park District consists of developed single-family dwellings and recreational uses.
  - B. Present and probable need for public facilities and services in the area: Local residents in the Palos Verdes Peninsula cities and unincorporated neighborhoods benefit from active recreational opportunities (trails) as well as the viewsheds afforded by permanent open space. The general public's present and probable needs for the types of public facilities acquired, operated, and maintained by the District will continue indefinitely.
  - C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: In combination with similar facilities operated by other local public agencies, the existing trails and open space areas operated and maintained by the District are adequate to serve the relatively low-density population in the Palos Verdes Peninsula.
  - D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
  - E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI:  
There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Miraleste RPD and its SOI.
4. The Executive Officer's staff report and recommendations for adoption of the MSR and adoption of an SOI Update for the Miraleste Recreation and Park District are hereby incorporated by reference and adopted.
5. The Executive Officer is hereby directed to add the words "Reconfirmed April 12, 2017" to the official LAFCO SOI map for the Miraleste Recreation and Park District.



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

PASSED AND ADOPTED this 12<sup>th</sup> day of April 2017.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES:

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PAUL A. NOVAK, Executive Officer

**RESOLUTION NO. 2017-00RMD**  
**RESOLUTION OF THE LOCAL AGENCY FORMATION**  
**COMMISSION FOR THE COUNTY OF LOS ANGELES ADOPTING THE**  
**MUNICIPAL SERVICE REVIEW (MSR) AND THE SPHERE OF INFLUENCE**  
**(SOI) UPDATE FOR THE RIDGECREST RANCHOS RECREATION AND**  
**PARK DISTRICT**

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code Section (Section) 56000 et seq) provides that a Local Agency Formation Commission (LAFCO) must adopt Spheres of Influence (SOIs) of each local governmental agency within its jurisdiction (Section 56425(a)) and that it must update, as necessary, each Sphere every five years (Section 56425(g));

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO;

WHEREAS, Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review prior to or in conjunction with action to update or adopt a Sphere of Influence;

WHEREAS, the Commission has undertaken the MSR and SOI Update for the Ridgecrest Ranchos Recreation and Park District;

WHEREAS, the Executive Officer has submitted to the Commission an MSR and SOI Update, including recommendations relative to any potential changes to the existing SOI for the Ridgecrest Ranchos Recreation and Park District;

WHEREAS staff shared a copy of the Draft MSR with representatives of the Ridgecrest Ranchos Recreation and Park District on November 16, 2016;

WHEREAS, the MSR and SOI Update for the Recreation and Park Districts contain the determinations required by Section 56430 for the municipal services provided

by the Ridgecrest Ranchos Recreation and Park District;

WHEREAS, a map of the existing SOI of the Ridgecrest Ranchos Recreation and Park District is attached as Exhibit “5” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, a map of the proposed SOI of the Ridgecrest Ranchos Recreation and Park District is attached as Exhibit “6” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set April 12, 2017, as the hearing date on this MSR and SOI study proposal, and gave the required notice of public hearing pursuant to Section 56427;

WHEREAS, after being duly and proper noticed, the Commission held a public hearing on April 12, 2017, and at the hearing the Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard;

WHEREAS, for the Ridgecrest Ranchos Recreation and Park District, and pursuant to Section 56430(a)(2), the Commission has considered the impacts of the proposed MSR and SOI Update relative to Disadvantaged Unincorporated Communities (DUCs), noting that there are no DUCs within or contiguous to the Ridgecrest Ranchos Recreation and Park District and its SOI;

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that, while a future reorganization (or reorganizations) may further the goals of orderly development and affordable service delivery, District and City of Rancho Palos Verdes representatives are

not supportive of any such reorganization or reorganizations at the present time, and would, further, like to postpone such actions for the next year;

WHEREAS, the proposed action consists of the adoption of the MSR and adoption of an SOI for the Ridgecrest Ranchos Recreation and Park District; and

WHEREAS, the recommended MSR and SOI Update is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the recommended periodic update and recommended confirmation of the current Coterminous Sphere of Influence for the Ridgecrest Ranchos Recreation and Park District will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3); and, in the alternative, this recommendation is not a project for purposes of CEQA because it is an organizational activity of government with no direct nor indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The recommended actions are exempt from CEQA as set out herein.
2. The Commission adopts the Municipal Service Review for the Ridgecrest Ranchos Recreation and Park District, as prepared and described in the staff report.
3. The Commission adopts the following written determinations and approves the Sphere of Influence Update for the Ridgecrest Ranchos Recreation and Park District:

- A. Present and planned land uses in the area: Territory within the Ridgecrest Ranchos Recreation and Park District consists of developed single-family dwellings, entryway signage and landscaping, and public rights-of-way.
  - B. Present and probable need for public facilities and services in the area: Residents of the Crestridge neighborhood, as well as visitors benefit from the entryway signage and landscaping maintained by the District. The entryway serves as a gateway to the Crestridge neighborhood and assists visitors attempting to locate this community. The general public's present and probable needs for these public facilities, and the associated benefits, will continue indefinitely.
  - C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: The entryway signage and landscaping adequately provide a gateway to the Crestridge neighborhood and assist visitors attempting to locate this community.
  - D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
  - E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI: There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Ridgecrest Ranchos RPD and its SOI.
4. The Executive Officer's staff report and recommendations for adoption of the MSR and adoption of an SOI Update for the Ridgecrest Ranchos Recreation and Park District are hereby incorporated by reference and adopted.
  5. The Executive Officer is hereby directed to add the words "Reconfirmed April 12, 2017" to the official LAFCO SOI map for the Ridgecrest Ranchos Recreation and Park District.
  6. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED this 12<sup>th</sup> day of April 2017.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES:

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PAUL A. NOVAK, Executive Officer

**RESOLUTION NO. 2017-00RMD**  
**RESOLUTION OF THE LOCAL AGENCY FORMATION**  
**COMMISSION FOR THE COUNTY OF LOS ANGELES ADOPTING THE**  
**MUNICIPAL SERVICE REVIEW (MSR) AND THE SPHERE OF INFLUENCE**  
**(SOI) UPDATE FOR THE WESTFIELD RECREATION AND PARK DISTRICT**

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code Section (Section) 56000 et seq) provides that a Local Agency Formation Commission (LAFCO) must adopt Spheres of Influence (SOIs) of each local governmental agency within its jurisdiction (Section 56425(a)) and that it must update, as necessary, each Sphere every five years (Section 56425(g));

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO;

WHEREAS, Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review prior to or in conjunction with action to update or adopt a Sphere of Influence;

WHEREAS, the Commission has undertaken the MSR and SOI Update for the Westfield Recreation and Park District;

WHEREAS, the Executive Officer has submitted to the Commission an MSR and SOI Update, including recommendations relative to any potential changes to the existing SOI for the Westfield Recreation and Park District;

WHEREAS staff shared a copy of the Draft MSR with representatives of the Westfield Recreation and Park District on November 16, 2016;

WHEREAS, the MSR and SOI Update for the Recreation and Park Districts contain the determinations required by Section 56430 for the municipal services provided

by the Westfield Recreation and Park District;

WHEREAS, a map of the existing SOI of the Westfield Recreation and Park District is attached as Exhibit “6” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, a map of the proposed SOI of the Westfield Recreation and Park District is attached as Exhibit “7” of the Recreation and Park Districts Draft MSR, attached hereto and incorporated by reference herein;

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set April 12, 2017, as the hearing date on this MSR and SOI study proposal, and gave the required notice of public hearing pursuant to Section 56427;

WHEREAS, after being duly and proper noticed, the Commission held a public hearing on April 12, 2017, and at the hearing the Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard;

WHEREAS, for the Westfield Recreation and Park District, and pursuant to Section 56430(a)(2), the Commission has considered the impacts of the proposed MSR and SOI Update relative to Disadvantaged Unincorporated Communities (DUCs), noting that there are no DUCs within or contiguous to the Westfield Recreation and Park District and its SOI;

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that any such reorganizations will not further the goals of orderly development and affordable service



delivery, and therefore will not recommend reorganization of the Westfield Recreation and Park District;

WHEREAS, the proposed action consists of the adoption of the MSR and adoption of an SOI for the Westfield Recreation and Park District; and

WHEREAS, the recommended MSR and SOI Update is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the recommended periodic update and recommended confirmation of the current Coterminous Sphere of Influence for the Westfield Recreation and Park District will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3); and, in the alternative, this recommendation is not a project for purposes of CEQA because it is an organizational activity of government with no direct nor indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The recommended actions are exempt from CEQA as set out herein.
2. The Commission adopts the Municipal Service Review for the Westfield Recreation and Park District, as prepared and described in the staff report.
3. The Commission adopts the following written determinations and approves the Sphere of Influence Update for the Westfield Recreation and Park District:

- A. Present and planned land uses in the area: Territory within the Westfield Recreation and Park District consists of developed single-family dwellings and recreational uses.
  - B. Present and probable need for public facilities and services in the area: Local residents in the Palos Verdes Peninsula cities and unincorporated neighborhoods benefit from active recreational opportunities (trails, tennis courts and equestrian ring) as well as the viewsheds afforded by permanent open space. The general public's present and probable needs for the types of public facilities acquired, operated, and maintained by the District will continue indefinitely.
  - C. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: In combination with similar facilities operated by other local public agencies, the existing trails, tennis courts and equestrian ring operated and maintained by the District are adequate to serve the relatively low-density population in the Palos Verdes Peninsula.
  - D. Existence of any social or economic communities of interest: There are no significant social or economic communities of interest.
  - E. Present and probable need for public facilities or services related to sewers, municipal and industrial water, and structural fire protection for any disadvantaged unincorporated communities within the existing and proposed SOI: There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Westfield RPD and its SOI.
- 4. The Executive Officer's staff report and recommendations for adoption of the MSR and adoption of an SOI Update for the Westfield Recreation and Park District are hereby incorporated by reference and adopted.
  - 5. The Executive Officer is hereby directed to add the words "Reconfirmed April 12, 2017" to the official LAFCO SOI map for the Westfield Recreation and Park District.
  - 6. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED this 12<sup>th</sup> day of April 2017.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES:

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PAUL A. NOVAK, Executive Officer

**DRAFT Municipal Service Review  
Recreation and Park Districts  
April 12, 2017**

**Chapter One: LAFCO Background**

*Municipal Boundaries*

The State of California possesses the exclusive power to regulate boundary changes. Cities and special districts do not have the right to change their own boundaries without State approval.

The California Constitution (Article XI, Section 2.a) requires the Legislature to “prescribe [a] uniform procedure for city formation and provide for city powers.” The Legislature also has the authority to create, dissolve, or change the governing jurisdiction of special districts because they receive their powers only through State statutes.

The Legislature has created a “uniform process” for boundary changes for cities and special districts in the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 *et seq.*, or “Act”). The Act delegates the Legislature’s boundary powers over cities and special districts to Local Agency Formation Commissions (LAFCOs) established in each county in the State. The Act is the primary law that governs LAFCOs and sets forth the powers and duties of LAFCOs.

In addition to the Act, LAFCOs must comply with the following State laws:

- California Revenue and Taxation Code Sections 93 and 99. LAFCO considers the revenue and taxation implications of proposals and initiates the property tax negotiation process amongst agencies affected by the proposal.
- California Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 *et seq.*) and the related CEQA Guidelines (Title 14, California Code of Regulations Section 15000 *et seq.*). Applications before LAFCO are considered to be “projects” under CEQA, which requires that potential environmental impacts be analyzed prior to Commission action.
- Ralph M. Brown Act (California Government Code Section 54950 *et seq.*). Commonly known as the State’s “open meeting law,” the Brown Act insures that the public has adequate opportunity to participate in the LAFCO process.
- Political Reform Act (California Government Code Section 81000 *et seq.*). Commissioners, some LAFCO staff, and legal counsel are subject to the Political Reform Act, which requires the filing of annual reports of economic interests.

*What are LAFCO’s?*

LAFCOs are public agencies with county-wide jurisdiction for the county in which they are located. LAFCOs oversee changes to local government boundaries involving the formation and expansion of cities and special districts.

In creating LAFCOs, the Legislature established four priorities: encourage orderly growth and development, promote the logical formation and determination of local agency boundaries, discourage urban sprawl, and preserve open space and prime agricultural lands.

Created by the State but with local (not State) appointees, each of the 58 counties in the State of California has a LAFCO. Each LAFCO operates independently of other LAFCOs, and each LAFCO has authority only within its corresponding county.

While a LAFCO may purchase services from a county (i.e., legal counsel, employee benefits, payroll processing), LAFCO's are not County agencies.

Local Agency Formation Commission for the County of Los Angeles ("LA LAFCO")

LA LAFCO regulates the boundaries of all 88 incorporated cities within the County of Los Angeles. LAFCO regulates most special district boundaries, including, but not limited to:

- California water districts
- Cemetery districts
- Community service districts ("CSDs")
- County service areas ("CSAs")
- County waterworks districts
- Fire protection districts
- Hospital and health care districts
- Irrigation districts
- Library districts
- Municipal utility districts
- Municipal water districts
- Reclamation districts
- Recreation and park districts
- Resource conservation districts
- Sanitation districts
- Water replenishment districts

LAFCO does not regulate boundaries for the following public agencies:

- Air pollution control districts
- Bridge, highway, and thoroughfare districts
- Community college districts
- Community facility districts (aka "Mello-Roos" districts)
- Improvement districts
- Mutual water companies
- Private water companies
- Redevelopment agencies
- School districts
- Special assessment districts
- Transit and transportation districts

LAFCO does not regulate the boundaries of counties. County boundary adjustments are within the purview of the boards of supervisors for the involved counties.

State law specifically prohibits LAFCOs from imposing terms and conditions which “directly regulate land use, property development, or subdivision requirements.” In considering applications, however, State law requires that LAFCO take into account existing and proposed land uses, as well as General Plan and zoning designations, when rendering its decisions.

The Local Agency Formation Commission for the County of Los Angeles (LA LAFCO, the Commission, or LAFCO) is composed of nine voting members:

- Two members of the Los Angeles County Board of Supervisors (appointed by the Los Angeles County Board of Supervisors);
- One member of the Los Angeles City Council (appointed by the Los Angeles City Council President);
- Two members of city councils who represent the other 87 cities in the county other than the City of Los Angeles (elected by the City Selection Committee);
- Two members who represent independent special districts (elected by the Independent Special Districts Selection Committee);
- One member who represents the San Fernando Valley (appointed by the Los Angeles County Board of Supervisors); and
- One member who represents the general public (elected by the other 8 members).

LAFCO also has six alternate members, one for each of the six categories above.

The Commission holds its “regular meetings” at 9:00 a.m. on the second Wednesday of each month. The Commission periodically schedules “special meetings” on a date other than the second Wednesday of the month. Commission meetings are held in Room 381B of the Kenneth Hahn Hall of Administration, located at 500 West Temple Street in downtown Los Angeles. Public notice, including the Commission agenda, is posted at the Commission meeting room and on LAFCO’s web-site ([www.lalafco.org](http://www.lalafco.org)).

The Commission appoints an Executive Officer and Deputy Executive Officer. A small staff reports to the Executive Officer and Deputy Executive Officer.

LAFCO’s office is located at 80 South Lake (Suite 870) in the City of Pasadena. The office is open Monday through Thursday from 7:00 a.m. to 5:00 p.m. The office is closed on Fridays.

#### What are LAFCO’s responsibilities?

LAFCO oversees changes to local government boundaries involving the formation and expansion of cities and special districts. This includes annexations and detachments of territory to and/or from cities and special districts; incorporations of new cities; formations of new special districts; consolidations of cities or special districts; mergers of special districts with cities; and dissolutions of

existing special districts. LAFCO also approves or disapproves proposals from cities and special districts to provide municipal services outside their jurisdictional boundaries (these public agencies can provide services outside of their boundaries under very limited circumstances).

An important tool used in implementing the Act is the adoption of a Sphere of Influence (SOI) for a jurisdiction. An SOI is defined by Government Code Section 56425 as "...a plan for the probable physical boundary and service area of a local agency." An SOI represents an area adjacent to a city or special district where a jurisdiction might be reasonably expected to provide services over the next twenty (20) years. The SOI is generally the territory within which a city or special district is expected to annex.

LAFCO determines an initial SOI for each city and special district in the County. The Commission is also empowered to amend and update SOIs.

All jurisdictional changes, such as incorporations, annexations, and detachments, must be consistent with the affected agency's Sphere of Influence, with limited exceptions.

#### Municipal Service Reviews

State law also mandates that LAFCO prepares Municipal Service Reviews (MSRs). An MSR is a comprehensive analysis of the municipal services, including an evaluation of existing and future service conditions, provided in a particular region, city, or special district. Related to the preparation of MSRs, and pursuant to State Law, LAFCOs must review and update SOIs "every five years, as necessary." The Commission adopted MSRs for all cities and special districts in the County prior to the January 1, 2008 deadline (Round One).

Some LAFCOs prepare MSRs for each city and special district in their region every five years. Other LAFCOs do not prepare MSRs proactively; rather, when a city, special district, or petitioner wants to expand the boundaries of an SOI, the LAFCO requires that the applicant pay for the preparation of an MSR in advance of the SOI determination. Most LAFCOs take an intermediate approach, above, preparing MSRs for a select group of cities and special districts every five years. This is the approach taken by the Commission (LA LAFCO) at its meeting of March 9, 2011. Staff is currently preparing MSR's for 9 cities and 14 special districts (Round Two). Staff has completed MSRs for four cities (Compton, Cudahy, Gardena, and Santa Clarita) and three special districts (Huntington Municipal Water District, Palmdale Water District, and Sativa County Water District), all of which have been adopted by the Commission.

In preparing MSRs, LAFCOs are required to make seven determinations:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to a city or district's SOI;
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies;
- Financial ability of agencies to provide services;

- Status of, and opportunities for, shared facilities;
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter related to effective or efficient service delivery.

Although State law requires the preparation of MSRs, the State does not provide funding to LAFCOs to perform this work. Some MSRs are prepared utilizing existing LAFCO staff; in other instances, LAFCO retains a consultant. When consultants are required, LAFCOs utilize a portion of its existing annual budget; additionally, LAFCO may request voluntary contributions from the involved city or special district.

(Report continues on Page 6)



## **Chapter Two: Recreation & Park District Enabling Act** *(Public Resource Code Sections 5780-5791.7)*

Recreation and park districts (“Districts” or “RPDs”) were first authorized by the California State Legislature in 1931. The Recreation and Park District Act was modified in 1957 and again in 2002.

### **Formation**

Territory, whether incorporated or unincorporated, contiguous or noncontiguous, may be included in a recreation and park district. The formation process is initiated by adoption of a resolution of application by the legislative body of any county or city that contains territory proposed to be included in the district, or by a petition presented to LAFCO signed by 25% of the registered voters within the boundaries of the proposed district.

After the formation proceedings have been initiated, LAFCO is required to conduct a noticed public hearing. After hearing public testimony, the Commission may either approve, modify, or deny the proposed formation. If the formation of the district is approved, the Commission also will adopt terms and conditions for the formation and establish a sphere of influence for the new district. The proposed formation is then scheduled for a protest hearing where no further modifications may be made. At the protest hearing, the Commission will do one of the following:

1. Terminate the proceedings if LAFCO receives written protests from 50% or more of the registered voters residing within the district;
2. Order the formation subject to approval by registered voters residing within the district; or
3. Order the formation subject to approval by the registered voters residing within the district of a special tax or by landowners within the district of a special benefit assessment.

### **Governing Body**

Recreation and park districts are governed by a five-member board of directors. Due to a change in the law in 2002, the initial board of directors for a district formed after January 1, 2002 may be elected or appointed (boards in existence in 2002 were to remain elected or appointed, as each was constituted at that time).

### **Functions**

Specified powers that a district may exercise are to “[o]rganize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community’s quality of life; establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district’s boundaries.”<sup>1</sup>

### **Annexation**

After the district has been formed, the boundaries of the district may be altered and outlying

incorporated or unincorporated territory in one or more counties may be annexed into the district. Proposals to annex territory must conform to the requirements of the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq*).

### **Recreation and Park Districts in the County of Los Angeles**

There are three (3) recreation and park districts located in the County of Los Angeles:

- Miraleste Recreation and Park District;
- Ridgecrest Recreation and Park District; and
- Westfield Recreation and Park District.

(Report continues on Page 8)

### **Chapter Three: Miraleste Recreation and Park District**

The Miraleste Recreation and Park District ("Miraleste RPD" or "District") was formed on June 14, 1940.<sup>2</sup> The boundaries of the Miraleste RPD include 390 parcels, 375 homes, covering 350 acres, with a population of approximately 925 people, all within the City of Rancho Palos Verdes.<sup>3</sup>

The District is governed by a five-member board of directors which meets at 7:30 p.m. on the first Monday of every other month (even months). Board-members run for office or are appointed "in-lieu" (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.

The District owns and maintains approximately 40 acres of undeveloped canyon areas, parks, and trails in the Miraleste neighborhood of the City of Rancho Palos Verdes, which includes:

- Frog Pond Park (near the intersection of Palos Verdes Drive East & Via Colinita);
- Harter Park (near the intersection of Via Colinita & Via La Paloma);
- Miltenberger Park (near the intersection of Palos Verdes Drive East and Miraleste Drive);
- Miraleste Park (near the intersection of Miraleste Drive & Via Colinita);
- Canada Park (near the terminus of Via Canada);
- Colinita Trail (0.67 miles: accessed from Palos Verdes Drive East near Via Subida);
- Frascati Trail (.033 miles: accessed from Palos Verdes Drive East near Via Frascati);
- Siena Loop Trail (0.72 miles: accessed from Via La Paloma);
- Miraleste Median (0.58 miles: runs along the Miraleste Drive median);
- Canada S. Trail (0.52 miles: accessed from the intersection of Palos Verdes Drive East and Miraleste Drive);
- Canada N. Trail (0.56 miles: accessed from Via Canada near Palos Verdes Drive East); and
- Lorraine Trail (0.42 miles: accessed from Lorraine Road or the Canada S. Trail).<sup>4</sup>

The District has an office located at 19 Miraleste Plaza in the City of Rancho Palos Verdes.<sup>5</sup> A map of the District's facilities is included as Exhibit 1 on Page 9.

The District has two contract employees (gardeners).<sup>6</sup>

The Commission (LAFCO) established a Coterminous Sphere of Influence (SOI) for the District on November 9, 1983 (see Exhibit 2 on Page 10). The Commission reconfirmed the Coterminous SOI on June 23, 2004.

(Report continues on Page 9)

Exhibit 1

Miraleste Parks and Trails Map<sup>7</sup>

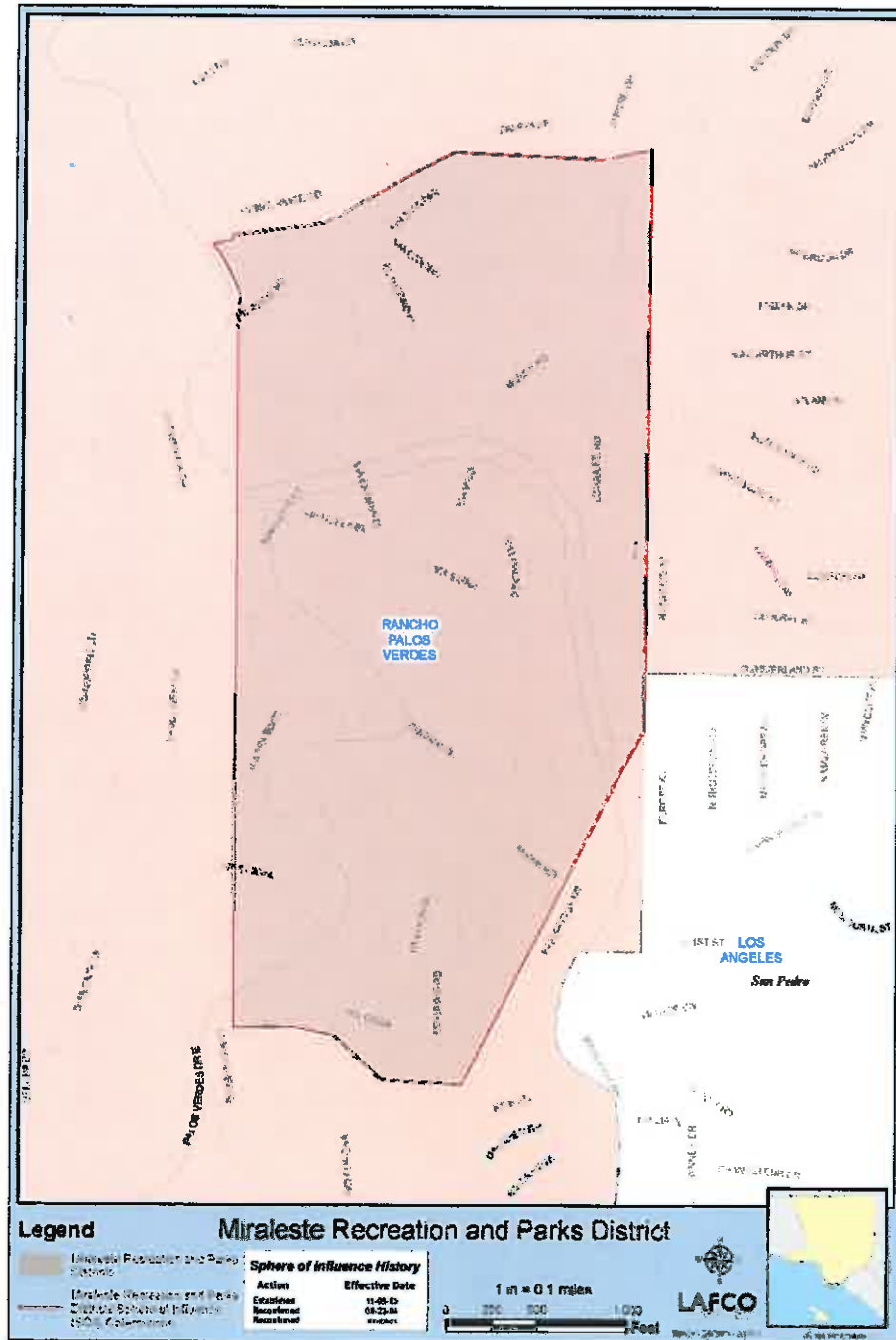


According to a report prepared by the City of Rancho Palos Verdes, “[t]he purpose of the District is to: Provide for the development, operation, and maintenance of parklands; provide residents with public park maintenance of landscape improvements that include medians, parking parcels, cul-de-sacs, and other open spaces; maintain and develop parkland areas in accordance with the needs and wishes of the residents; provide fire prevention and clearing of parkland areas; provide improvement of the trail system accessibility; and balance and preserve woodland atmosphere.”<sup>8</sup>

(Report continues on Page 10)

Exhibit 2

**Existing Miraleste Recreation and Park District Sphere of Influence**



## Miraleste Recreation and Park District

### Discussion and Determinations

Government Code Section 56430 requires LAFCO to “conduct a service review of the municipal services” and to “prepare a written statement of its determinations” relative to several factors. This chapter addresses these factors and includes the recommended determinations.

#### Population Projections

According to the United States Census Bureau, the 2010 population within the Miraleste RPD is 925 people.<sup>9</sup>

Given that the territory consists of developed single-family dwellings and recreational uses (parks, trails, and open space), the population within the boundaries of the Miraleste RPD is unlikely to grow significantly in the foreseeable future.

#### **Determination:**

- **Territory within the Miraleste Recreation and Park District consists of developed single-family dwellings and recreational uses; the population is unlikely to grow significantly in the foreseeable future.**

#### Disadvantaged Unincorporated Communities

Pursuant to the State's passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than eighty percent (80%) of the statewide annual median household income. The law also requires that LAFCOs consider “the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence” when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Miraleste RPD and its SOI.

#### **Determination:**

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Miraleste RPD and its Coterminous SOI.**

#### Present and Planned Capacity of Public Facilities

The District owns and maintains approximately 40 acres of undeveloped canyon areas, parks, and trails in the Miraleste neighborhood of the City of Rancho Palos Verdes. The District has managed

these areas for several decades, utilizing funds from a share of the property taxes allocated to the District. District representatives represent, that land use plans and growth patterns within its service area are “not affecting” service demand.<sup>10</sup> District representatives indicate that there are no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations).<sup>11</sup>

Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.

**Determination:**

- **Given the nature of facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes peninsula, the present and planned capacity of public facilities is adequate.**

*Financial Ability of Agencies to Provide Services*

The Miraleste RPD received \$318,475 in property taxes in Fiscal Year 2012-2013 (the most recent year for which data was available).<sup>12</sup> In reviewing the 2012-2013 audit and financial statements, as well as similar documents for previous years, it appears that management has successfully matched expenditures to revenues, with very modest deviations year-to-year. The Board also maintains emergency reserves of fifteen percent (15%) of its overall budget.<sup>13</sup>

**Determinations:**

- **The District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.**
- **The District should continue to maintain emergency reserves of fifteen percent (15%) of its overall budget.**

*Status of, and Opportunities for, Shared Facilities*

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

**Determination:**

- **There are no apparent opportunities to share facilities with other agencies.**

*Accountability for Community Service Needs*

The District is governed by a five-member board of directors which meets at 7:30 p.m. on the first Monday of every even month. District representatives note that the monthly meeting is a “posted and open board meeting.”<sup>14</sup>

In terms of financial transparency, and as noted in the District audit:

The Board of Trustees approves each year's preliminary budget submitted by the District prior to the beginning of the new fiscal year. The Board conducts public hearings prior to the adoption of the final budget on or before October 1 of each year. The Board, where required during the period, also approves supplemental appropriations. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapse.<sup>15</sup>

District representatives have continually retained an auditor who prepares audits and financial statements on an annual basis.

Although there is a website for the District, the website is under construction and contains minimal information. The District should develop a more complete website which included board meeting agendas, copies of recent audits and financial statements, and similar materials.

**Determinations:**

- **The District should continue to conduct open and posted board meetings every other month (even months).**
- **District representatives should devote resources to overhauling its website, in an effort to provide more readily-available information in an on-line format.**

*Other Matters*

None.

**Determinations:**

(No additional determinations)

(Report continues on Page 14)



## Miraleste Recreation and Park District

### SOI Recommendations

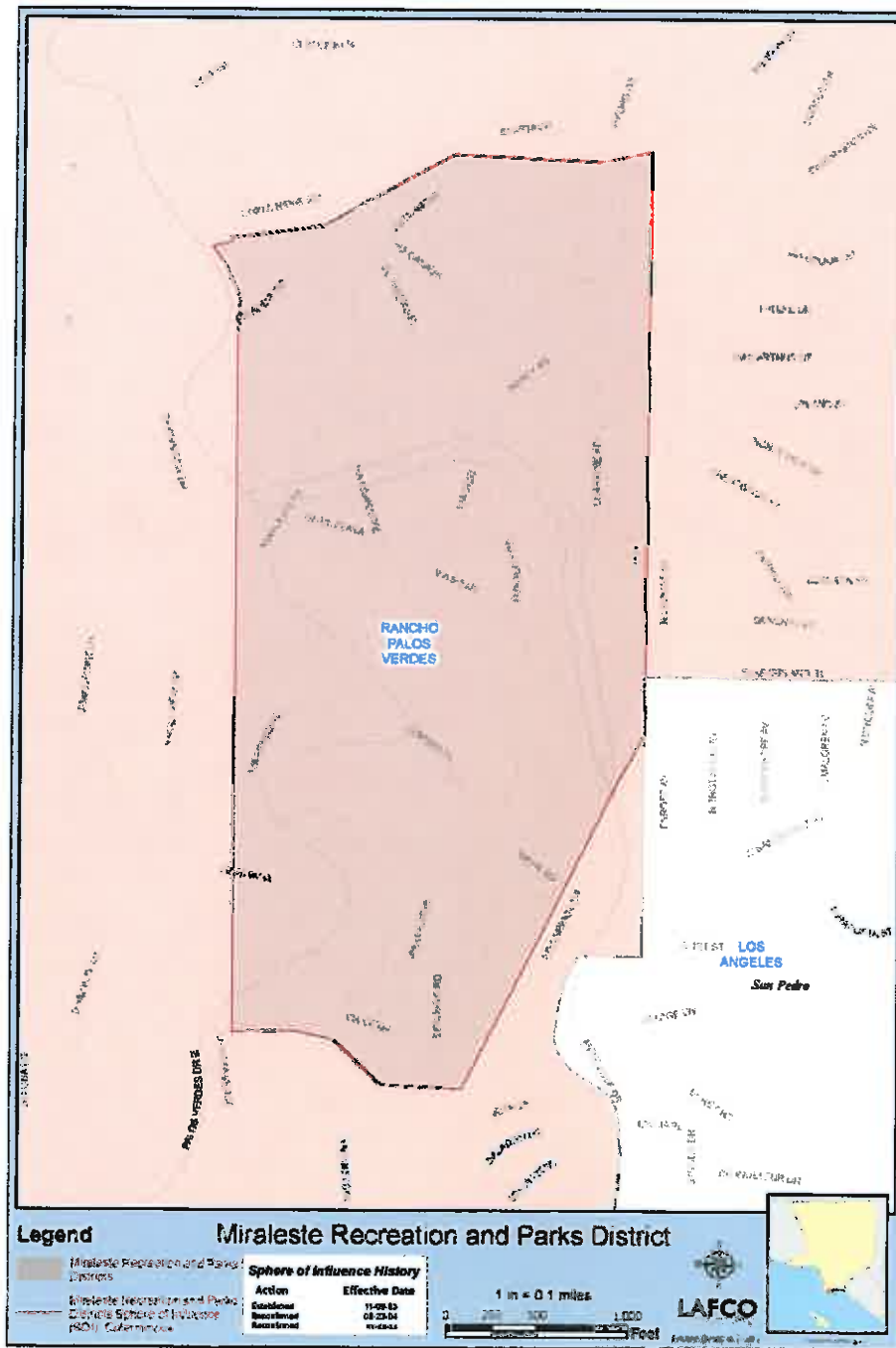
#### Miraleste Recreation and Park District Sphere of Influence SOI Recommendations:

1. **Retain the Miraleste Recreation and Park District's Existing Coterminous Sphere of Influence.** The Miraleste Recreation and Park District's Existing Coterminous SOI was established on November 9, 1983. On June 23, 2004, the Commission reconfirmed the Coterminous SOI in the course of adopting the Miscellaneous Government Services Municipal Service Review. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Miraleste Recreation and Park District (see map in Exhibit 3 on Page 15).

(Report continues on Page 15)

### Exhibit 3

#### Proposed Miraleste Recreation and Park District Sphere of Influence



#### **Chapter Four: Ridgecrest Ranchos Recreation and Park District**

The Ridgecrest Ranchos Recreation and Park District ("Ridgecrest Ranchos RPD" or "District") was formed on November 13, 1961.<sup>16</sup>

The boundaries of the Ridgecrest Ranchos RPD include 110 parcels, 107 homes, covering 70.4 acres, with a population of approximately 315 people, all within the City of Rancho Palos Verdes.<sup>17</sup>

The District is governed by a five-member board of directors. Board-members run for office or are appointed "in-lieu" (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors. The District's Board meets on a quarterly basis at a local library on the first Tuesday in January, April, July, and September.<sup>18</sup>

The Board's mission "is to maintain park land at the entrance to the Ridgecrest development in Rancho Palos Verdes, Los Angeles County, California so as to provide and protect the quality of life for the residents of the district."<sup>19</sup> The District "owns and maintains 0.78 acres of vacated former rights-of-way along the Crenshaw Boulevard frontage of the Crestridge neighborhood."<sup>20</sup> The District's properties are in distinct and separate locations along Crenshaw Boulevard, both north and south of Crestridge Road (see Exhibit 4 on Page 17).<sup>21</sup>

According to District representatives, the District has no employees nor contractors.<sup>22</sup>

The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004 (see Exhibit 5 on Page 18).

(Report continues on Page 17)

Exhibit 4

Miraleste Park and Recreation District: Location of District Property

## Location of District Property



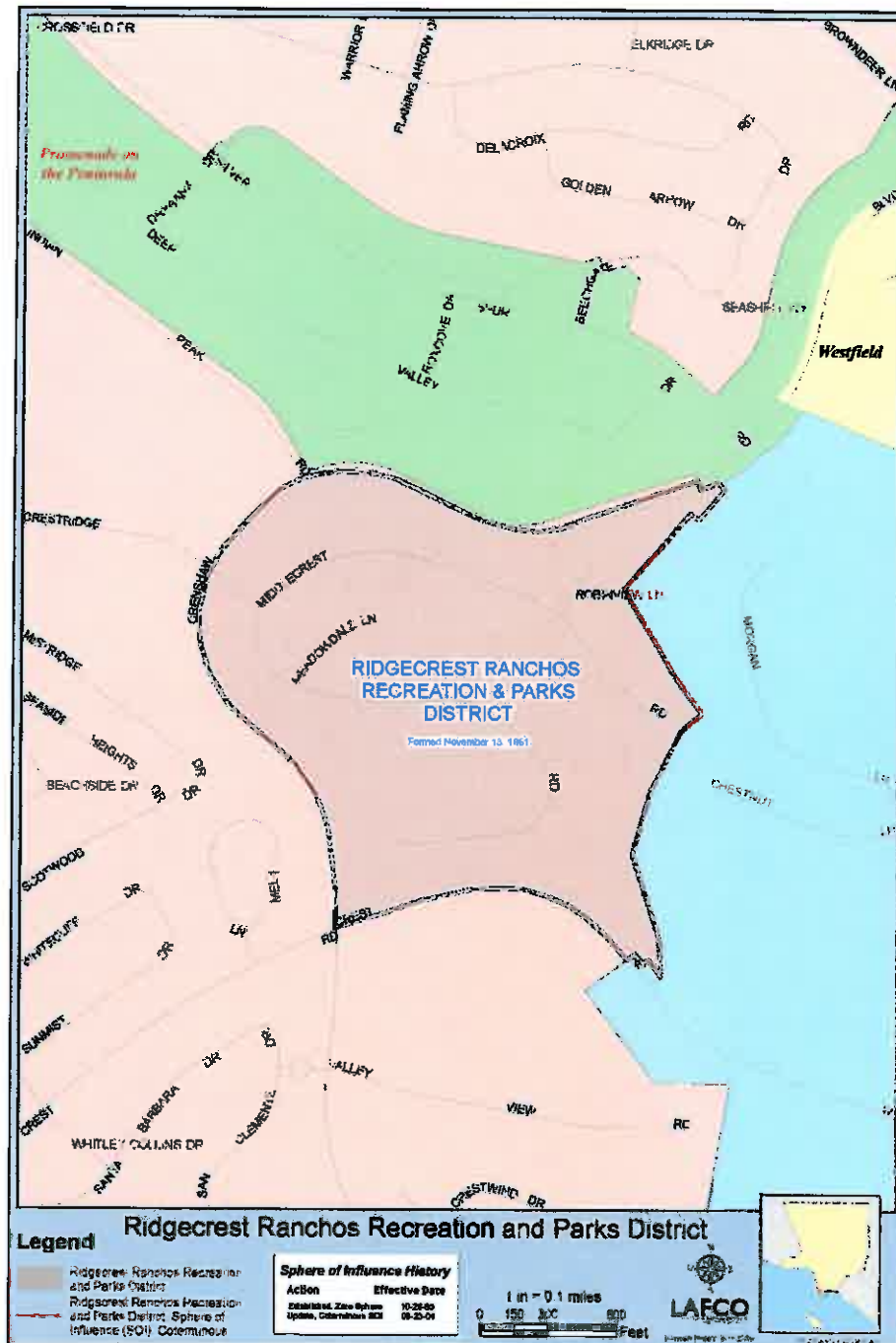
Entry to *Ridgecrest*  
at Crenshaw Blvd.



(Report continues on Page 18)

Exhibit 5

Existing Ridgecrest Ranchos Recreation and Park District Sphere of Influence



## **Ridgecrest Ranchos Recreation and Park District**

### **Discussion and Determinations**

Government Code Section 56430 requires LAFCO to “conduct a service review of the municipal services” and to “prepare a written statement of its determinations” relative to several factors. This chapter addresses these factors and includes the recommended determinations.

#### **Population Projections**

According to the United States Census Bureau, the 2010 population within the Ridgecrest Ranchos RPD is 315 persons.<sup>23</sup>

Given that the territory consists of developed single-family homes and public rights-of-way, the population within the boundaries of the Ridgecrest Ranchos RPD is unlikely to grow significantly in the foreseeable future. District representatives indicate that the “[s]ervice area is fully developed; no growth or population increases are expected.”<sup>24</sup>

#### **Determination:**

- **Territory within the Ridgecrest Ranchos Recreation and Park District consists of developed single-family dwellings and public rights-of-way; the population is unlikely to grown significantly in the foreseeable future.**

#### **Disadvantaged Unincorporated Communities**

Pursuant to the State’s passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than 80% (eighty percent) of the statewide annual median household income. The law also requires that LAFCOs consider “the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence” when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Ridgecrest Rancho RPD and its SOI.

#### **Determinations:**

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Ridgecrest Ranchos RPD and its SOI.**

#### **Present and Planned Capacity of Public Facilities**

The District “owns and maintains 0.78 acres of vacated former right-of-way along the Crenshaw Boulevard frontage of the Crestridge neighborhood, located in two distinct and separate locations along Crenshaw Boulevard, both north and south of Crestridge Road.

District representatives indicate, further, that land use plans and growth patterns within its service area are “not affecting” service demand.<sup>25</sup> District representatives indicate, further, that there are no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations).<sup>26</sup>

Given the limited nature of facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.

**Determination:**

- **Given the limited nature of the facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.**

*Financial Ability of Agencies to Provide Services*

For the years 2010 through 2015, property tax revenues range from a low of \$17,733 (in 2012) to \$24,326 (2015), but typically falling in the \$22,000 to \$23,000 range; expenses range from a high of \$22,013 (2012) to a low of \$14,931 (in 2015), generally falling in the \$16,000 to \$17,000 range.<sup>27</sup> The data indicate that the District has a primary source of revenues (share of the 1% of property taxes), which fluctuates modestly year-to-year; the District also receives an \$80 per parcel assessment on all properties located within the District. In terms of expenditures, the District’s sole responsibility (landscape maintenance for a relatively small geographical area) is relatively inexpensive, and also fluctuates modestly year-to-year. It is not clear whether there exists any long-term infrastructure needs or necessary capital improvements required to continue providing landscaping maintenance in the long-term.

**Determinations:**

- **Over the recent few years, the District’s revenues and expenditures seem to be reasonably correlated, with modest fluctuations.**
- **It is not clear whether there exists any long-term infrastructure needs or necessary capital improvements required to continue providing landscaping maintenance in the long-term.**

*Status of, and Opportunities for, Shared Facilities*

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

**Determination:**

- **There are no apparent opportunities to share facilities with other agencies.**

*Accountability for Community Service Needs*

The District’s five-member board of directors meets on a quarterly basis on the first Tuesday in January, April, July, and September. District representatives indicate that “[t]hese meetings are

noticed by signage at the exit to the development which is contiguous with the District,” and “[i]n addition, notices are published in the local newspaper and on the information board of the local public library.”<sup>28</sup>

The District does not have a website.

**Determination:**

- **The District should continue to conduct open and posted board meetings on a quarterly basis.**
- **District representatives should consider establishing a website, in order to provide more information to the public in an on-line format.**

Other Matters

None.

**Determinations:**

(No additional determinations)

Discussion Analysis

Amongst the service obligations, and geographic territory served, by the 53 independent special districts in Los Angeles County, the Ridgecrest Ranchos RPD has relatively limited responsibilities. The geographic area of responsibility is less than one acre; within that area, the District provides one service, which is to maintain existing landscaping.

All public agencies have certain unavoidable expenditures, including, but not limited to, the preparation and posting of agendas; retaining staff or vendors to perform work; commissioning of annual audits by a third party; and providing information to other public agencies and the public; and related expenses. In addition to these tangible expenditures, it is also reasonable to consider the time, effort, and commitment expended by board-members in volunteering to serve, and the associated responsibilities to attend meetings, formulate budgets, manage contractors, and so forth.

**The issue this presents for the Commission (LAFCO) is one of service efficiency and governance: is it within the public interest for the District to continue providing these services, or would it be more efficient and cost-effective for these services be provided by another public agency? In this particular case, the geographic area in which the District maintains landscaping, and the boundaries of the entire district, are within the boundaries of the City of Rancho Palos Verdes (City). In this regard, the only other likely service provider is the City itself.**

The first issue associated with a change in service providers is whether the City of Rancho Palos Verdes has the ability to assume the services currently performed by the District. Landscape maintenance is a relatively routine service performed by most cities, and financial information available to LAFCO suggests that the City could easily assume these functions currently provided by the District. The City's 2014-2015 Comprehensive Annual Financial Report identifies \$27.8 million in



expenditures for primary government activities, \$1.7 million dedicated to parks and recreation, and \$1.89 million in capital outlays for parks/trails/open space improvements.<sup>29</sup> The City currently receives 37% of its revenue from property taxes.<sup>30</sup> Further, the City is actively involved in a number of programs to acquire new open space, parks, and trails; to improve existing facilities, such as recent projects at Abalone Cove Shoreline Park and Ryan Park; and implement long-term master planning efforts, like updating the Parks Master Plan.<sup>31</sup>

Staff's initial review suggests that the City's assumption of responsibilities currently performed by the District, along with the associated transfer of the share of property taxes currently allocated to the District, would have a nominal effect on overall City operations. It would, further, eliminate the need for District elections (or in-lieu appointments), board meetings, posting of agendas, vendors under contract to the District, and the hiring of a certified public accountant to prepare annual audits. Given the modest amount of property tax received by the District, it does not seem prudent to expend these funds on audits, meetings, and regulatory compliance rather than the delivery of services; in that regard, the proposed change in service provides potentially represents a more efficient delivery of government service.

Given these considerations, the Commission may wish to consider two (2) actions:

1. Retain the existing Coterminous Sphere of Influence ("Coterminous SOI") for the District, wherein the service obligations and allocation of property tax revenues would not change. Service responsibilities and property tax revenues would remain with the District; and
2. Direct staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.

With respect to the second option, above, staff notes that it could lead to a future recommendation that the Commission adopt a Zero Sphere of Influence ("Zero SOI") for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes

(Report continues on Page 23)

## **Ridgecrest Ranchos Recreation and Park District**

### **SOI Recommendations**

#### **Ridgecrest Ranchos Recreation and Park District Sphere of Influence (SOI) Recommendations:**

- 1. Retain the existing Coterminous Sphere of Influence (“Coterminous SOI”) for the District, wherein the service obligations and allocation of property tax revenues would not change.  
Service responsibilities and property tax revenues would remain with the District; and**
- 2. Direct staff to continue its dialogue with, and/or make itself available to, representatives of the District and the City of Rancho Palos Verdes, to determine the potential feasibility of the City assuming District responsibilities, and associated timing, and report back to the Commission at a future date.**

If staff determines that a transfer of service responsibility and associated property tax revenues is feasible, staff would likely return with a future recommendation that the Commission adopt a Zero Sphere of Influence (“Zero SOI”) for the District, initiate the dissolution of the District, transfer those property tax revenues currently going to the District to the City, and/or the potential formation of a subsidiary district. Under any of these options, staff would recommend Commission actions to ensure that service responsibilities and associated property tax revenues would be concurrently assumed by the City of Rancho Palos Verdes.

(Report continues on Page 24)

## **Chapter Five: Westfield Recreation and Park District**

The Westfield Recreation and Park District ("Westfield RPD" or "District") was formed in 1957.<sup>32</sup>

The boundaries of the Westfield RPD include 306 parcels, 304 homes, covering 198.4 acres, with a population of approximately 800 people, all within County unincorporated territory adjoining the City of Rolling Hills (to the south and southeast), unincorporated territory (to the north), and the City of Rolling Hills Estates (to the northeast and northwest).<sup>33</sup>

The District is governed by a five-member board of directors who serve without compensation. Board-members serve terms of four years and there are no term limits. Board-members run for office or are appointed "in-lieu" (when the number of candidates who filed to run for the board is the same as the number of open board positions) by the Los Angeles County Board of Supervisors.<sup>34</sup>

The Board normally meets on the third Thursday of the month at 7:00 p.m. at the Rolling Hills Estates George F. Canyon Nature Center.<sup>35</sup>

The District landscapes and maintains trails, a tennis court, and an equestrian ring. According to District representatives, the District has no employees nor contractors; landscape/maintenance of the District facilities is on a "month-to-month agreements" with outside vendors.<sup>36</sup>

The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004 (see Exhibit 6 on Page 25).

(Report continues on Page 25)

Exhibit 6

**Existing Westfield Recreation and Park District Sphere of Influence**



### Population Projections

According to the United States Census Bureau, the 2010 population within the Westfield RPD is 800 persons.<sup>37</sup>

Given that the territory consists of developed single-family homes and public rights-of-way, the population within the boundaries of the Westfield RPD is unlikely to grow significantly in the foreseeable future. District representatives indicate that the "[s]ervice area is fully developed; no growth or population increases are expected."<sup>38</sup>

#### **Determination:**

- **Territory within the Westfield Recreation and Park District consists of developed single-family dwellings, recreational uses, and public rights-of-way; the population is unlikely to grow significantly in the foreseeable future.**

### Disadvantaged Unincorporated Communities

Pursuant to the State's passage of Senate Bill 244, as of January 1, 2012, LAFCOs are required to make determinations regarding Disadvantaged Unincorporated Communities (DUCs) for an Update of a Sphere of Influence. The law defines a DUC as a community with an annual median household income that is less than eighty percent (80%) of the statewide annual median household income. The law also requires that LAFCOs consider "the location and characteristics of any disadvantaged communities within or contiguous to the sphere of influence" when preparing an MSR.

There are no unincorporated communities, and therefore no DUCs, within or adjacent to the Westfield RPD and its SOI.

#### **Determination:**

- **There is no impact upon the location and characteristic of any Disadvantaged Unincorporated Communities (DUCs) because there are no DUCs within or adjacent to the Westfield RPD and its SOI.**

### Present and Planned Capacity of Public Facilities

The District landscapes and maintains trails, a tennis court, and an equestrian ring.

District representatives indicate that there is no "anticipated" growth in the foreseeable future, and there are no plans to file any future reorganization proposals (i.e., annexations).<sup>39</sup>

Given the limited nature of facilities which the District manages, as well as a relatively stable population served by the District, the present and planned capacity of public facilities is adequate.

#### **Determination:**

- **Given the nature of the facilities which the District manages, a relatively stable population, and predominant usage by local residents within the Palos Verdes Peninsula, the present and planned capacity of public facilities is adequate.**

### Financial Ability of Agencies to Provide Services

The District's most recent financial information from budgets and audited financial statements show revenues of approximately \$75,000 per year, and expenses in the range of approximately \$35,000 per year.<sup>40</sup> Revenues (from a share of the 1% of property taxes) appear to be relatively stable year-to-year. Expenses show nominal increases from year-to-year, but within reasonable parameters.<sup>41</sup>

Financial statements from 2015 show a balance of \$52,604 in the District's bank account.<sup>42</sup>

In the longer term, it is possible that inflationary increases in expenses could constrain the District's ability to continue to maintain existing service levels. At this point in time, however, the significant surplus of annual revenues over expenditures suggests that this is unlikely to occur in the short-term. The more critical challenge to the District is the need for the "replacement of infrastructure" and "deferred maintenance," circumstances which District officials concede is caused by a "lack of funds."<sup>43</sup>

#### **Determinations:**

- **On an ongoing basis, the District appears to be managing limited finances reasonably well and keeping expenditures in line with revenues.**
- **The District should initiate a strategic planning effort to establish a capital improvement program, and an associated funding plan, to address deferred maintenance and the replacement of the District's infrastructure.**

### Status of, and Opportunities for, Shared Facilities

Given the nature of the services provided, there are no apparent opportunities to share facilities with other agencies.

#### **Determination:**

- **There are no apparent opportunities to share facilities with other agencies.**

### Accountability for Community Service Needs

Members of the District's board of directors serve without compensation. Going back several years, the Board has been meeting on a monthly basis in the same location.

The District does not have a website.

#### **Determinations:**

- **The District should continue to conduct open and posted board meetings on a monthly basis.**

- **District representatives should consider establishing a website, in an effort to provide more information to the public in an on-line format.**

*Other Matters*

None.

**Determinations:**

(No additional determinations)

(Report continues on Page 29)

## **Westfield Recreation and Park District**

### **SOI Recommendations**

#### *Westfield Recreation and Park District Sphere of Influence (SOI) Recommendations:*

- 1. Retain the Westfield Recreation and Park District's Existing Coterminous Sphere of Influence.** The Commission (LAFCO) established a Zero Sphere of Influence (SOI) for the District on October 26, 1983; the Commission adopted a Coterminous SOI on June 23, 2004. Given the small size of the District; the limited scope of facilities and services it provides; and the fact that District representatives have no plans for infrastructure replacement and upgrades, nor plans to increase future service capacity, nor plans to file any future reorganization proposals (i.e., annexations), staff recommends that the Commission retain the existing Coterminous SOI for the Westfield Recreation and Park District (see map in Exhibit 7 on Page 29).



Exhibit 7

**Proposed Westfield Recreation and Park District Sphere of Influence**



**Park & Recreation Districts  
DRAFT Municipal Service Review**

**Footnotes**

Chapter Two:

1. Public Resources Code Section 5786.

Chapter Three (Miraleste RPD):

2. Response to Municipal Service Review – Special Districts, Supplemental Request for Agency Information; April 2, 2014; Page 1.
3. The number of parcels derived is from Los Angeles County Assessor Website; the number of homes is from a response to the Municipal Service Review – Special Districts, Supplemental Request for Agency Information; Page 6; Acreage is a calculation from LAFCO map data; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
4. City of Rancho Palos Verdes Newsletter, Spring 2012, “Hidden Gems in Your Backyard: The Miraleste Recreation and Park District,” Page 3.
5. Ibid.
6. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 2.
7. Map of Miraleste Parks and Trails, Miraleste Park and Recreation District Website, October 5, 2016.
8. City of Rancho Palos Verdes, City Council Meeting of July 6, 2004, Staff Report, Page 1.
9. LAFCO calculation utilizing 2010 Census (Block Group) data; January 29, 2015.
10. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 4.
11. Ibid.; Pages 5-6.
12. Miraleste Recreation and Park District Financial Statements; June 30, 2013; Henry P. Eng, Certified Public Accountant; Statement of Activities and Governmental Revenues, Expenditures and Changes in Fund Balance, Period Ended June 30, 2013; Exhibit B, Page 3.
13. Response to LAFCO Municipal Service Review Request for Information Part I; April 2, 2014; Page 7.
14. Ibid.; Page 14.

**Footnotes (continued)**

15. Miraleste Recreation and Park District Financial Statements; June 30, 2013; Henry P. Eng, Certified Public Accountant; Note 2: Stewardship, Compliance and Accountability, Subsection "a," General Budget Policies; Page 8.

Chapter Four (Ridgecrest Ranchos RPD):

16. Response to LAFCO Municipal Service Review Survey; March 7, 2014, Page 1.
17. Number of parcels is from Los Angeles County Assessor Website; Number of homes and Acreage is from Miscellaneous Government Services Spheres of Influence & Municipal Services Reviews; June 23, 2004; Page 99; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
18. Response to LAFCO Municipal Service Review Survey; March 7, 2014, Page 1.
19. Mission Statement, Ridgecrest Ranchos Recreation and Park District.
20. City of Rancho Palos Verdes; City Council Meeting of November 6, 2013; Item "C" Staff Report, Page 2.
21. Ibid., Page 3.
22. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 7, 2014; Page 2.
23. LAFCO calculation utilizing 2010 Census (Block Group) data; January 29, 2014.
24. Response to LAFCO Municipal Service Review Request for Information Part I; March 7, 2014; Page 3.
25. Ibid.
26. Ibid.
27. State Controller's Office, Government Financial Reports, Special Districts, JPAs and Nonprofits, Ridgecrest Ranchos Recreation and Park District; Report printed on November 15, 2016.
28. Response to LAFCO Municipal Service Review Request for Information Part I; March 7, 2014; Page 14.
29. City of Rancho Palos Verdes Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2015; Pages 20 and 83.
30. Ibid., Page 13.
31. Ibid., Pages 31 and 33.

**Footnotes (continued)**

Chapter Five (Westfield RPD):

32. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; August 18, 2016; Page 1.
33. Number of parcels is from Los Angeles County Assessor Website; Number of homes is from Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 6; Acreage is a LAFCO calculation; and Population is a LAFCO calculation utilizing 2010 Census (Block Group) data.
34. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 6.
35. Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; August 18, 2016; Page 1.
36. Ibid., Pages 1-2.
37. LAFCO calculation utilizing 2010 Census (Block Group) data.
38. Response to LAFCO Municipal Service Review Survey, Request for Information Part I; July 5, 2016; Page 2.
39. Ibid., Page 3.
40. Westfield Park Recreation and Parkways District #12 (sic) State Controller's Office Special Districts Financial Transactions and Compensation Report for 2015; Westfield Park Recreation and Parkways District #12 (sic) 2016-17 Budget; and Donald A. Young Jr., Accredited Tax Advisor and Enrolled Agent, Statement of Revenue & Expenditures; June 20, 2015.
41. Donald A. Young Jr., Accredited Tax Advisor and Enrolled Agent, Statement of Revenue & Expenditures; June 20, 2015; Page 3.
42. Ibid., Page 2.
43. Response to Response to LAFCO Municipal Service Review – Special Districts Supplemental Request for Information; March 14, 2011; Page 16; Page 39.

## **Staff Report**

**April 12, 2017**

**Agenda Item No. 7.c.**

**Fiscal Year 2017-2018**

**Final Budget**

**Background:** In accordance with Government Code Section 56381, the Commission must adopt annually, following noticed public hearings, a proposed and final budget.

**Final Budget:** The proposed budget for this year (Fiscal Year 2017-2018) is \$1,472,400. The final budget before you today mirrors the proposed budget adopted at the March 8, 2017 Commission meeting.

### **Local Agency Apportionment**

Total local agency apportionments will not increase from last year (Fiscal Year 2016-2017) to this year (Fiscal Year 2017-2018). The total amount billable to funding agencies is \$1,322,443.

### **Comments from funding agencies**

In accordance with state law, the FY 2017-2018 Proposed Budget was circulated to the funding agencies for review and comment via U.S. Mail on Monday, March 13<sup>th</sup>. Staff fielded e-mail and telephone inquiries from two agencies, and as of the writing of this report, staff has responded to all budgetary questions relating to the estimated FY 2017-2018 allocation of costs.

### **Recommended action:**

1. Open the budget hearing, receive public comments, and close the budget hearing; and
2. Approve the attached Proposed Budget for Fiscal Year 2017-2018.

# FISCAL YEAR 2017-18 FINAL BUDGET

ACCT. #	ACCOUNT NAME	ADOPTED	PROJECTED	FY 2017-18	% Variance	\$ Variance
		BUDGET	YEAR-END	FINAL		
		2016-17	2016-17	BUDGET		
	<b>EXPENSES</b>					
<b>50000</b>	<b>Salaries and Employee Benefits</b>					
50001	Employee Salaries	\$ 576,800	\$ 527,000	\$ 604,300	13%	\$ 77,300
50015	Retirement	\$ 121,600	\$ 88,000	\$ 107,100	18%	\$ 19,100
50016	Accrued vacation and sick cashout	\$ 17,300	\$ 10,000	\$ 10,000	0%	\$ -
50017	Stipends	\$ 25,000	\$ 20,000	\$ 20,000	0%	\$ -
50018	Worker's Compensation Insurance	\$ 22,400	\$ 22,400	\$ 11,200	-100%	\$ (11,200)
50019	Health Insurance	\$ 134,100	\$ 129,200	\$ 176,800	27%	\$ 47,600
50020	Payroll Taxes	\$ 10,300	\$ 8,000	\$ 10,700	25%	\$ 2,700
50022	OPEB - Existing Retirees	\$ 11,900	\$ 22,900	\$ 36,000	36%	\$ 13,100
	<b>Total Salaries &amp; Employee Benefits</b>	<b>\$ 919,400</b>	<b>\$ 827,500</b>	<b>\$ 976,100</b>	<b>15%</b>	<b>\$ 148,600</b>
<b>50000A</b>	<b>Office Expense</b>					
50025	Rent	\$ 89,500	\$ 89,500	\$ 92,200	3%	\$ 2,700
50026	Communications	\$ 8,800	\$ 10,700	\$ 10,700	0%	\$ -
50027	Supplies	\$ 7,400	\$ 7,400	\$ 7,400	0%	\$ -
50029	Equipment Maintenance and Supplies	\$ 6,600	\$ 3,600	\$ 3,600	0%	\$ -
50030	Equipment lease	\$ 22,900	\$ 7,900	\$ 7,900	0%	\$ -
50031	Employee / Other Parking Fees	\$ 9,600	\$ 8,400	\$ 8,600	2%	\$ 200
50032	Other Insurance	\$ 52,600	\$ 47,600	\$ 48,900	3%	\$ 1,300
50033	Agency Membership Dues	\$ 11,400	\$ 11,200	\$ 11,400	2%	\$ 200
50040	Information Technology/Programming	\$ 7,800	\$ 7,800	\$ 8,300	6%	\$ 500
50052	Legal Notices	\$ 2,000	\$ 2,000	\$ 2,000	0%	\$ -
50053	Publications	\$ 100	\$ -	\$ -	N/A	\$ -
50054	Postage	\$ 4,000	\$ 4,000	\$ 4,000	0%	\$ -
50056	Printing	\$ 1,530	\$ 1,500	\$ 1,500	0%	\$ -
50057	Conferences/Travel - Commissioners	\$ 15,000	\$ 15,000	\$ 15,000	0%	\$ -
50058	Conference/Travel - Staff	\$ 15,000	\$ 12,000	\$ 15,000	20%	\$ 3,000
50060	Auto - Reimbursement	\$ 13,400	\$ 10,050	\$ 6,700	-50%	\$ (3,350)
50061	Various Vendors	\$ 6,400	\$ 6,400	\$ 6,400	0%	\$ -
50065	Miscellaneous - Other	\$ 4,000	\$ 5,200	\$ 5,200	0%	\$ -
50067	Computer-Copier-Misc Equipment	\$ 3,000	\$ 500	\$ 500	0%	\$ -
	<b>Total Miscellaneous Expense</b>	<b>\$ 281,030</b>	<b>\$ 250,750</b>	<b>\$ 255,300</b>	<b>2%</b>	<b>\$ 4,550</b>
<b>50000C</b>	<b>Professional Services</b>					
50076	Legal services	\$ 55,000	\$ 36,800	\$ 44,000	16%	\$ 7,200
50077	Accounting & Bookkeeping	\$ 30,000	\$ 33,700	\$ 34,000	1%	\$ 300
50078	Contract Services	\$ 3,000	\$ 3,000	\$ 3,000	0%	\$ -
50080	Special Studies Consultants	\$ -	\$ -	\$ -	N/A	\$ -
50081	Municipal Service Reviews	\$ 5,000	\$ -	\$ 60,000	100%	\$ 60,000

# FISCAL YEAR 2017-18 FINAL BUDGET

ACCT. #	ACCOUNT NAME	ADOPTED	PROJECTED	FY 2017-18	% Variance	\$ Variance
		BUDGET	YEAR-END	FINAL		
		2016-17	2016-17	BUDGET		
	<b>Total Professional Services</b>	\$ 93,000	\$ 73,500	\$ 141,000	48%	\$ 67,500
	<b>TOTAL EXPENDITURES</b>	\$ 1,293,430	\$ 1,151,750	\$ 1,372,400	16%	\$ 220,650
20020	<b>OPEB Liability - Reserves</b>	\$ 100,000	\$ 100,000	\$ 100,000	0%	\$ -
	<b>Total Contingencies and Reserves Set Aside</b>	\$ 100,000	\$ 100,000	\$ 100,000	0%	\$ -
	<b>Total Appropriations</b>	\$ 1,393,430	\$ 1,251,750	\$ 1,472,400	15%	\$ 220,650
<b>40000</b>	<b>REVENUES</b>					
40005	Filing Fees	\$ 75,000	\$ 52,900	\$ 75,000	29%	\$ 22,100
40006	Processing Fees	\$ 100	\$ -	\$ 100	100%	\$ 100
40007	Interest Income	\$ 7,400	\$ 12,000	\$ 12,000	0%	\$ -
40008	Other Income	\$ 600	\$ 200	\$ 600	67%	\$ 400
	<b>Total Revenues</b>	\$ 83,100	\$ 65,100	\$ 87,700	26%	\$ 22,600
	<b>NET OPERATING COSTS</b>	\$ 1,310,330	\$ 1,186,650	\$ 1,384,700	14%	\$ 198,050
	<b>Local Agency Apportionment</b>					
40001	City of Los Angeles	\$ 203,594	\$ 203,456	\$ 203,456	0%	\$ -
40002	County of Los Angeles	\$ 508,979	\$ 508,633	\$ 508,633	0%	\$ -
40003	Other Cities (87)	\$ 305,385	\$ 305,177	\$ 305,177	0%	\$ -
40004	Special Districts	\$ 305,385	\$ 305,177	\$ 305,177	0%	\$ -
	<b>Total Local Agency Apportionment</b>	\$ 1,323,343	\$ 1,322,443	\$ 1,322,443	0%	\$ -

## **Staff Report**

**March 8, 2017**

### **Agenda Item No. 9.a.**

#### **Status of Vector Control Services in Los Angeles County**

##### **Background**

Most cities in Los Angeles County are within the boundaries of one of five vector control districts: the Antelope Valley Mosquito and Vector Control District, the Compton Creek Mosquito Abatement District, the Greater Los Angeles County Vector Control District, the Los Angeles County West Vector Control District, and the San Gabriel Valley Mosquito and Vector Control District.

In the City of Long Beach, the City operates a robust vector control program within City government, with a staff of 6 employees.

On August 30, 2016, the San Gabriel Valley Mosquito and Vector Control District (SGVMCD) filed proposals with LAFCO to annex the City of Baldwin Park and the City of South Pasadena into the SGVMCD's boundaries. On January 25, 2017, the SGVMCD filed a proposal with LAFCO to annex the City of Pasadena into the SGVMCD's boundaries. Staff anticipates agendizing these three proposals for Commission consideration in late 2017.

At present, no vector control services are provided within the boundaries of the City of Vernon. Staff is concerned about the absence of service for several reasons: one, unabated vector control issues in Vernon will impact surrounding cities and unincorporated communities; two, there are a number of large industrial landowners and tenants in the City of Vernon, some of which create unique opportunities for vectors to reproduce and thrive; and three, because the Los Angeles River bisects the City of Vernon, there are often large concrete areas with standing water, which create ideal places for vectors to reproduce and thrive.

For the past six months, representatives of the City of Vernon, the Greater Los Angeles County Vector Control District (GLAVCD), and LAFCO have met to determine the best means of providing vector control service in the City of Vernon. These parties have also communicated with representatives of the Vernon Chamber of Commerce the Los Angeles County Department of Public Health. Based upon these conversations, LAFCO staff is recommending that the GLAVCD file a request, pursuant to Government Code Section 56133(c), to provide services outside district boundaries and within the boundaries of the City of Vernon (an "out-of-agency service extension" request). Should the GLAVCD move forward, staff anticipates the request would be filed with LAFCO in the next 3-4 months.

##### **Staff Recommendation:**

1. Receive and File.



## Staff Report

April 12, 2017

### Agenda Item No. 9.b.

#### Legislative Update

Staff is monitoring several bills of interest to LAFCO.

- **SB 693 (Mendoza)**: This bill proposes to establish a new district, the Lower San Gabriel River Recreation and Park District, “by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission.” The bill establishes the parameters of the proposed district’s board of directors, and leaves the remaining formation issues to be addressed by LA LAFCO. Because the bill recognizes LAFCO’s role in the establishment of new special districts, staff is recommending that the Commission take a “support” position.
- **AB 464 (Gallagher)**: Current law requires an applicant seeking a change of organization or reorganization to submit a plan for providing services within the affected territory that includes, among other requirements, an enumeration and description of the services to be *extended* to the affected territory and an indication of when those services can feasibly be extended. This bill would require that the plan also include information regarding services *currently* provided to the affected territory, as applicable, and make related changes. This bill amends Government Code Section 56653 to address a holding in *City of Patterson v. Turlock Irrigation District*, where the court found that because services were already being provided, the application to annex territory was deemed incomplete because no new service would be provided. By amending Section 56653, any pending/future annexation for a territory that is already receiving services (i.e., via an out-of-area service agreement) will not be in question. The bill is being sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). The bill has been referred to the Committee on Local Government.
- **AB 979 (Lackey)**: This bill, co-sponsored by CALAFCO and the California Special Districts Association (CSDA), proposes to amend Government Code Section 56332.5 to streamline the process of seating special districts on LAFCO (at present, 30 of the 58 LAFCOs have added special district commissioners). Further, it will allow for the potential consolidation of elections for any action of the independent special district selection committees (the seating of special district commissioners on LAFCO, the election of special district commissioners to LAFCO, and the appointment a countywide redevelopment agency oversight board pursuant to Health and Safety Code Section 34179 (j)(3)). The bill has been referred to the Committee on Local Government.
- **SB 634 (Wilk)**: **(For additional information, see “Background Issues Concerning SB 634,” attached)**. This bill proposes a legislative consolidation of two independent water districts (the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD)). The bill as introduced does not require the consolidation to be approved by LA LAFCO. The bill is sponsored by the CLWA and NCWD. At the March 8<sup>th</sup> meeting, the Commission voted to take an “oppose unless amended” position concerning SB 634 unless the E.O. could successfully

have the Natural Resources & Water Committee postpone its review of SB 634 until after the Commission's next hearing. On March 22<sup>nd</sup>, LAFCO and CALAFCO representatives met with Senator Wilk to discuss their concerns. Because the Committee hearing was not postponed, the Commission sent a letter of March 23<sup>rd</sup> (copy attached) to Senator Wilk and legislators on the two committees (Natural Resources & Water and Governance & Finance) communicating its "oppose unless amended" position. CALAFCO also communicated an "oppose unless amended" position in its letter of March 27<sup>th</sup> to Senator Wilk (copy attached). As of the writing of this report (April 3<sup>rd</sup>, there are ongoing communications amongst several stakeholders. Staff will provide a verbal update at the April 12<sup>th</sup> Commission meeting.

- AB 1725 (Assembly Local Government Committee) – Sponsored by CALAFCO, this is the annual Omnibus bill. The bill currently has one item, and five additional items submitted by CALAFCO are expected to be added within the next month or so.

**Staff Recommendation:**

1. Take a "support" position on SB 693 (Mendoza), and direct staff to communicate this position in a letter to Senator Mendoza, with copies provided to key members of the State Legislature and the Governor; and
2. Receive and file the Legislative Report.

**Attachments:**

- SB 693 (Mendoza)
- Background Issues Concerning SB 634

### **Background Issues Concerning SB 634**

Special districts formed pursuant to principal acts: Since LAFCOs were established in 1963, most independent special districts have been formed by one of the 58 LAFCOs. LAFCOs are guided in the formation of such districts by two laws: one, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 560000 et seq); and two, the “principal act” for the type of independent special district which is being formed. Principal acts are found in several different codes, and many contain specific provisions governing the composition of a governing body, contiguity of district boundaries, and other issues unique to each particular special district.

Special districts formed pursuant to special acts: Special districts may also be formed by the State of California pursuant to a “special act,” which is approved by both houses of the State Legislature (Assembly and Senate) and signed into law by the Governor. Special districts created by an act of the legislature (“special act districts”) are subject to the requirements and restrictions found in their special act, many of which provide for governing boards with a unique composition.

Newhall County Water District (NCWD): The Newhall County Water District (NCWD) is a county water district which was formed in 1953, pursuant to a principal act known as the “County Water District Law” (Water Code Section 30000 et seq). According to NCWD’s website, the district has 9,715 service connections and serves a population of 45,036 people; it has thirty employees and its Fiscal Year 2015-16 budget is \$13.6 million.

Section 30500 of the County Water District Law requires that any county water district have a board of directors composed of five individuals who must be voters within the district’s boundaries. Consistent with this provision, NCWD is governed by a board of directors of five individuals who are registered voters within the NCWD’s boundaries.

Castaic Lake Water Agency: The Castaic Lake Water Agency was formed as a special act district (then known as the Upper Santa Clara Valley Water Agency) in 1962 by the passage of AB 26 (Carrell). On occasion, the Legislature has also amended the original CLWA legislation, including re-naming the agency to become the CLWA. The agency was originally formed as a water wholesaler, which is an agency that sells water to water retailers, but does not have any retail customers itself.

The CLWA is governed by an eleven (11) member board of directors: two (2) members are elected on an at-large (district-wide) basis; two (2) members are elected in three (3) separate divisions, for a total of six (6) “district” board-members; one (1) member representing the Los Angeles County Waterworks District No. 36 – Castaic is appointed by the Los Angeles County Board of Supervisors (which serves as the District 36 board of directors); and one (1) member representing NCWD, appointed by NCWD’s board of directors.

### **Background Issues Concerning SB 634 (continued)**

In 1999, the CLWA purchased the Santa Clarita Water Company, a private water company that provides retail water service. The sale was litigated by parties who argued that CLWA could not provide retail water service, only sell water on a wholesale basis to water retailers. The issue was resolved in 2001 with the passage of AB 134, which authorized CLWA to provide retail water service exclusively within the Santa Clara Water Company's former boundaries. CLWA continues to sell water directly to customers through the Santa Clara Water Division of CLWA.

In 2012, CLWA purchased the stock of the Valencia Water Company from a developer, Five Points. Five Points is the successor to Newhall Land & Farming. Five Points has substantial real estate holdings, including several large proposed development projects throughout California. Additionally, Five Points is the owner and developer of the proposed Newhall Ranch project, a master-planned development project (17,000 homes and 4 million square feet of commercial/industrial uses) in County unincorporated territory west of Interstate 5 in the Santa Clarita Valley.

Proposed Consolidation of CLWA and NCWD: To the extent that the CLWA and NCWD propose to consolidate into a new agency, there are three potential options:

1. "LAFCO Only" Approach: One or both agencies would file a proposal with LA LAFCO to consolidate the two existing agencies into one new agency. The Cortese-Knox-Hertzberg Local Government Act of 2000 does not provide clear direction to a LA LAFCO in terms of how to address the "governance" issues concerning such a consolidation of a "principal act" district (NCWD) and a "special act" district (CLWA). In this regard, a "LAFCO only" approach could subject LAFCO to potential exposure in terms of a legal challenge relative to how LAFCO proposes to create the new agency's governing board. Staff notes that the composition of the governing board of the new Santa Clarita Water Agency—as proposed by CLWA and NCWD in SB 634—is inconsistent with both the County Water District Law (which currently governs the board of directors of NCWD) and the existing special act (as amended) which currently governs the board of directors of CLWA.
2. A "Legislature Only" Approach: One or both agencies could ask a state legislator to introduce a bill in the Legislature to consolidate the two agencies. That is the approach currently taken by CLWA and NCWD representatives, who requested that Senator Scott Wilk introduce SB 634 to combine their two agencies into the new Santa Clarita Valley Water District. The disadvantages of this approach are that it bypasses LA LAFCO review, it would deprive LA LAFCO of the ability to impose reasonable terms and conditions to insure the success of the future Santa Clarita Valley Water District, and it will afford no opportunity for input at a local public hearing for residents, business-owners, and ratepayers from the Santa Clarita Valley although CLWA and NCWD have held a number of joint public meetings in the Santa Clarita Valley on the consolidation proposal).

**Background Issues Concerning SB 634 (continued)**

3. A “Hybrid Approach” with action by the Legislature and LA LAFCO: In this approach, the Legislature would consider and approve a bill (introduced by an individual legislator) governing the formation of the district; the bill would specifically identify the composition of the new agency’s board of directors, consistent with the desires of the board-members of the two existing agencies. Separately, one or both agencies would file a proposal with LA LAFCO to consolidate the two agencies. LA LAFCO staff would analyze the proposal, propose reasonable terms and conditions to insure the success of the new agency, and the Commission would consider and approve the proposed consolidation. Pursuant to Government Code Section 56853, “[i]f a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of district or for the reorganization of all or any part of the districts into a single local agency, the Commission shall approve, or conditionally approve, the proposal.” This approach acknowledges LA LAFCO’s role in consolidating special districts in Los Angeles; enables LA LAFCO to impose reasonable terms and conditions on the proposed consolidation; and affords an opportunity for input at a local (within Los Angeles County) public hearing for residents, business-owners, and ratepayers from the Santa Clarita Valley.