



Commission  
Jerry Gladbach  
Chair

Donald Dear  
1st Vice-Chair

Gerard McCallum  
2nd Vice-Chair

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 Novak  
Executive Officer

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

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[www.lalafco.org](http://www.lalafco.org)

## **SPECIAL MEETING**

### **LOCAL AGENCY FORMATION COMMISSION MEETING AGENDA (REVISED)**

Wednesday, June 14, 2017

**8:00 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**

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### **NOTICE OF CLOSED SESSION**

**CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
**(Government Code § 54957)**  
Title: Executive Officer

**CONFERENCE WITH LABOR NEGOTIATOR**  
**(Government Code § 54957.6)**  
Agency Designated Representative – Edward G. Gladbach  
Unrepresented Employee: Executive Officer

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- 2. PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR 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 May 10, 2017.
- b. Approve Operating Account Check Register for the month of May 2017.
- c. Receive and file update on pending proposals.

**7. PUBLIC HEARING(S)**

None.

**8. PROTEST HEARING(S)**

None.

**9. OTHER ITEMS**

- a. Legislative Update.
- b. Resolution Authorizing Participation in the Special District Risk Management Authority's Property/Liability Program.

**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 generally applicable three-minute time limitation.

**13. FUTURE MEETINGS**

July 12, 2017

August 9, 2017

September 13, 2017

October 11, 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**

Recommendation by individual Commissioners that the Commission adjourn the meeting in memory of deceased persons and/or commemoration of ceremonial occasions.



Local Agency Formation Commission  
for the County of Los Angeles

 **DRAFT**

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  
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Judith Mitchell  
Joseph Ruzicka  
Greig Smith

Staff

Paul A. Novak, AICP  
Executive Officer

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Patricia Wood

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[www.lalafco.org](http://www.lalafco.org)

REGULAR MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

May 10, 2017

Present:

Donald Dear, First Vice-Chair

Kathryn Barger  
Margaret Finlay  
Janice Hahn  
Gerard McCallum  
David Ryu  
David Spence

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

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

Absent:

Jerry Gladbach, Chair

Richard Close

Marqueece Harris-Dawson, Alternate  
Sheila Kuehl, Alternate

1 CALL MEETING TO ORDER

The meeting was called to order at 9:06 a.m. in Room 381-B of the County Hall of Administration by First Vice-Chair Donald Dear.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by First Vice-Chair Donald Dear.

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.

Supervisor Barger disclosed that she received campaign contributions from Fourstar (USA) Real Estate Group, Inc., and recused herself from Agenda Item 9.b. The two contributions of \$1,500 each were received on October 24, 2016.

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore-in four (4) members of the audience who planned to testify.

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

- a. Reorganization No. 2017-04 to the Las Virgenes Municipal Water District (Amendments to the Las Virgenes Municipal Water District, the Los Angeles County Waterworks District No. 29 – Malibu, and the West Basin Municipal Water District Spheres of Influence; Detachment from the Los Angeles County Waterworks District No. 29 – Malibu and the West Basin Municipal Water District; and Annexation to the Las Virgenes Municipal Water District).

The Commission took the following action:

- Received and Filed.

MOTION:	RUZICKA (ALT. FOR GLADBACH)
SECOND:	FINLAY

AYES: BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY,  
HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH),  
SPENCE, DEAR  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: CLOSE, RYU, GLADBACH  
MOTION PASSED: 8/0/0

## 6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of April 12, 2017.
- b. Approved Operating Account Check Register for the month of April 2017.
- c. Received and filed update on pending proposals.
- d. Approved revised Minutes of March 8, 2017 (on page 18).

MOTION: RUZICKA (ALT. FOR GLADBACH)  
SECOND: FINLAY  
AYES: BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY,  
HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH),  
SPENCE, DEAR  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: CLOSE, RYU, GLADBACH  
MOTION PASSED: 8/0/0

## 7 PUBLIC HEARING(S)

- a. Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Antelope Valley Cemetery District, the Artesia Cemetery District, the Downey Cemetery District, the Little Lake Cemetery District, and the Wilmington Cemetery District.

The E.O. noted that the Agenda package contained the staff report, resolutions, maps, and the MSR for each of the five cemetery districts located in Los Angeles County. The E.O. indicated that there were slight errors on three of the cemetery district maps (revised copies were provided to all Commissioners): Antelope Valley Cemetery District, Downey Cemetery District, and Wilmington Cemetery District.

[Commissioner Ryu arrived at 9:12 a.m.]

The E.O. noted that, as stated in Chapter Two of the Cemetery Districts Draft MSR, the Legislature authorized the creation of cemetery districts in 1909. Public cemeteries are unique public agencies that provide a cost benefit to the residents who live within the district boundaries because they are significantly less expensive than private cemeteries. Cemetery districts have limited budgets, and district Boards are sensitive to rate increases. They are further constrained because, unlike private cemeteries, public cemetery districts, by law, are not allowed to sell markers or headstones. While cemetery districts do not provide essential services (e.g. fire protection or retail water), they do provide public services to those residents, particular to individuals with limited means, who are facing difficult decisions upon the passing of a loved one.

Three of the five cemetery districts were formed in the 1920s, and two were formed in the 1950s. All of the cemeteries predate district formation, with burials going back to the late 1800s. The oldest cemetery is the Wilmington Cemetery, which was established in 1857.

The E.O. summarized the staff report on the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Cemetery Districts (Antelope Valley Cemetery District, Artesia Cemetery District, Downey Cemetery District, Little Lake Cemetery District, and Wilmington Cemetery District).

The E.O. noted that the staff recommendation is to reconfirm the existing Sphere of Influence (SOI) boundaries for the Artesia Cemetery District and the Little Lake Cemetery District. Neither district is likely to expand its boundaries nor will file future annexations with LAFCO.

The E.O. also noted that the staff recommendation is to expand the SOI boundaries for the Antelope Valley Cemetery District and the Wilmington Cemetery District. These SOI expansions will accommodate future annexations for each of the districts to receive additional revenue (the Antelope Valley Cemetery District has already filed an annexation proposal with LAFCO). The Wilmington Cemetery District's Board plans to file an annexation proposal with LAFCO in the near future.

In addition, the staff recommendation is to expand the SOI boundaries for the Downey Cemetery District (DCD) to include the remaining portion of the City of Downey (City). At present, only about sixty-percent (60%) of the City of Downey is within the Downey Cemetery District's SOI boundaries. This creates confusion for the public to why they live in the City but do not live within the boundaries of the Downey Cemetery District. Staff confirmed with the City of Downey that the City has no objections to the expansion of the Downey Cemetery District's SOI boundaries. Initially, the Cemetery District Draft MSR recommended a dissolution of the DCD and creation of a subsidiary district of the City of Downey (all of Downey Cemetery District's assets would be transferred to the City of Downey). LAFCO staff confirmed with

representatives of the City of Downey that the City does not support the DCD dissolution at this time. The Downey City Council intends to research current and deferred maintenance issues, status of existing infrastructure, and to clarify certain financial issues associated with the DCD. For this reason, the staff recommendation is for the Commission to consider a dissolution in the future, and for the E.O. to continue to work with City staff and the Downey Cemetery District's Board of Directors.

The E.O. stated that LAFCO staff has worked closely with Supervisor Hahn's office regarding the Downey Cemetery District and the Wilmington Cemetery District; and worked closely with Supervisor Antonovich's office regarding the Antelope Valley Cemetery District. The E.O. thanked all five cemetery districts for their cooperation and input with LAFCO staff in the preparation of the Cemetery Districts Draft MSR.

Supervisor Hahn thanked the E.O. and LAFCO staff for all their work in preparing the Cemetery Districts Draft MSR.

Supervisor Hahn stated that three of five the cemetery districts are located within her supervisorial district: the Artesia Cemetery District (reconfirmed SOI boundaries with no changes to the district's boundaries); the Downey Cemetery District (amended SOI to include the remaining portion of the City of Downey); and the Wilmington Cemetery District (amended SOI boundaries will facilitate the district to receive additional revenue).

Supervisor Hahn stated that she recently toured the Wilmington Cemetery. She noted that there were sinking graves, the landscaping is in need of attention, and district representatives voiced the inability to provide in-ground burials due to the lack of record keeping. The revenue currently generated for the Wilmington Cemetery District (WCD) is not adequate to maintain the cemetery property as a historical gem. Supervisor Hahn stated that she is pleased with the staff recommendation to expand the Wilmington Cemetery District's SOI boundaries to facilitate an annexation which would increase revenue for the WCD. Supervisor Hahn asked how soon will the Wilmington Cemetery District receive the additional revenue. The E.O. stated if the annexation is completed by December 1, 2017, the additional revenue will accrue starting July 2018. It depends how quickly the tax transfer resolution is processed with the County Chief Executive Officer (CEO). The E.O. suggested that the Supervisor Hahn work closely with the CEO to expedite the tax transfer resolution.

The E.O. thanked Alisha O'Brien for her great work in preparing the Cemetery Districts Draft MSR.

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



The Commission took the following actions with respect to each of the five-named cemetery districts:

- Adopted the May 10, 2017 Cemetery Districts Municipal Service Review;
- Adopted the recommended determinations required for a Municipal Service Review as contained in both the staff report and the MSR pursuant to Government Code Section 56430;
- Adopted 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 Section 56425;
  - a. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Adopting the MSR and SOI for the Antelope Valley Cemetery District; Resolution No. 2017-17RMD.
  - b. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Adopting the MSR and SOI for the Artesia Cemetery District; Resolution No. 2017-18RMD.
  - c. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Adopting the MSR and SOI for the Downey Cemetery District; Resolution No. 2017-19RMD.
  - d. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Adopting the MSR and SOI for the Little Lake Cemetery District; Resolution No. 2017-20RMD.
  - e. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Adopting the MSR and SOI for the Wilmington Cemetery District; Resolution No. 2017-21RMD.
- Directed the Executive Officer to add the words “Amended May 10, 2017” to the official LAFCO SOI maps for the Antelope Valley Cemetery District, the Downey Cemetery District, and the Wilmington Cemetery District; and
- Directed the Executive Officer to add the words “Reconfirmed May 10, 2017” to the official LAFCO SOI maps for the Artesia Cemetery District and the Little Lake Cemetery District.

MOTION: RUZICKA (ALT. FOR GLADBACH)  
SECOND: BARGER  
AYES: BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY,  
HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH),  
RYU, SPENCE, DEAR  
ABSTAIN: NONE  
NOES: NONE  
ABSENT: CLOSE, GLADBACH  
MOTION PASSES: 9/0/0

## 7 PUBLIC HEARING(S)

The following item was called for consideration:

- b. Annexation No. 2015-06 to the Newhall County Water District (Tesoro), Amendment to the Newhall County Water District Sphere of Influence (SOI).

The E.O. summarized the staff report on Annexation No. 2015-06 to the Newhall County Water District (Tesoro), Amendment to the Newhall County Water District Sphere of Influence (SOI).

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

The Commission took the following action:

- Adopted the Resolution Making Determination, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2015-06 to the Newhall County Water District (Tesoro), Amendment to the Newhall County Water District Sphere of Influence (SOI); Resolution No. 2017-22RMD.

MOTION: FINLAY  
SECOND: BARGER  
AYES: BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY,  
HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH),  
RYU, SPENCE, DEAR  
ABSTAIN: NONE  
NOES: NONE  
ABSENT: CLOSE, GLADBACH  
MOTION PASSES: 9/0/0

## 7 PUBLIC HEARING(S)

The following item was called for consideration:

- c. Annexation No. 2015-07 to the Newhall County Water District (Pinetree), Amendment to the Newhall County Water District Sphere of Influence (SOI).

The E.O. summarized the staff report on Annexation No. 2015-07 to the Newhall County Water District (Pinetree), Amendment to the Newhall County Water District Sphere of Influence (SOI).

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

The Commission took the following action:

- Adopted the Resolution Making Determination, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2015-07 to the Newhall County Water District (Pinetree), Amendment to the Newhall County Water District Sphere of Influence (SOI); Resolution No. 2017-23RMD.

MOTION:	RUZICKA (ALT. FOR GLADBACH)
SECOND:	FINLAY
AYES:	BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY, HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH), RYU, SPENCE, DEAR
ABSTAIN:	NONE
NOES:	NONE
ABSENT:	CLOSE, GLADBACH
MOTION PASSES:	9/0/0

## 8 PROTEST HEARING(S)

None.

## 9 OTHER ITEMS

The following item was called up for consideration:

- a. Legislative Update.

The E.O. swore-in one (1) additional member of the audience who planned to testify.

The public hearing was opened to receive testimony.

Joan Dunn (former Vice President, Newhall County Water District) came before the Commission. Mrs. Dunn stated that the Valencia Water Company (VWC) is not included in SB 634, but should be represented and included in the proposed consolidation of the Newhall County Water District (NCWD) and the Castaic Lake Water Agency (CLWA). Mrs. Dunn stated that she believes that the new proposed amendments to SB 634 create a dictatorship and that the bill has not been processed democratically. Mrs. Dunn suggested that the Commission review the new proposed amendments to SB 634.

Ed Dunn (former Director and President, Newhall County Water District; and a former Director, Castaic Lake Water Agency) came before the Commission. Mr. Dunn stated that he believes SB 634 is a convoluted bill, and suggested that the Commission oppose SB 634.

Carmillis "Cam" Noltemeyer (Treasurer, Santa Clarita Organization for Planning and the Environment) came before the Commission. Ms. Noltemeyer stated that she appreciates that the staff recommendation is for the Commission to retain the "oppose until amended" position on SB 634. She stated that she believes there are still significant concerns about the bill. Ms. Noltemeyer stated that the staff report incorrectly refers to the "Santa Clarita Water District" when in fact the new proposed agency name is the "Santa Clarita Valley Water District". She also voiced that the Valencia Water Company should be represented in the proposed consolidation. Mrs. Noltemeyer stated that according to the Public Utilities Commission (PUC), the Valencia Water Company recently changed from a private entity to a public entity. CLWA has received \$80 million in interfund loans. Mrs. Noltemeyer noted that, as of March 7, 2017, the Castaic Lake Water Agency increased their personnel cost by \$785,000. Ms. Noltemeyer stated that she believes that the proposed consolidation is not a cost-benefit to the public.

Mrs. Noltemeyer provided copies of the following documentation to the Commission: Castaic Lake Water Agency Memorandum, dated March 7, 2017; Santa Clarita Water Division, Financial Plan and Recommended Water Rates, dated June 21, 2013; Upper Santa Clara Valley Joint Powers Authority, Annual Financial Report Fiscal Year Ended June 30, 2016; Eminent Domain Settlement Agreement among Castaic Lake Water Agency, the Newhall Land and Farming Company, and Valencia Water Company, dated December 12, 2012; Settlement Agreement between Newhall County Water and Castaic Lake Water Agency dated December 13, 2016; and various other hand-outs.

Supervisor Barger clarified that the Commission is not taking a position on the content of SB 634 but rather the process and procedure as it affects LAFCO's role associated with the proposed consolidation.

The E.O. apologized for the error on the staff report referencing the "Santa Clarita Water District" when it should be the "Santa Clarita Valley Water District."

Maria Gutzeit (Board President, Newhall County Water District) came before the Commission. Ms. Gutzeit stated that she has been an NCWD Board member for over 13 years. NCWD and CLWA have a common goal – to better manage water resources within the Santa Clarita Valley. Ms. Gutzeit stated that the proposed consolidation between NCWD and CLWA will save \$14 million, help secure grant funding for watershed projects, and eliminate turf battles. Ms. Gutzeit stated that 14 of 15 members board members of the NCWD and CLWA support the consolidation. Ms. Gutzeit stated that the Newhall County Water District has incorporated LAFCO's recommendations into the proposed amendments to SB 634.

Joseph Byrne (General Counsel, Castaic Lake Water Agency) came before the Commission. Mr. Byrne thanked the E.O. for working with the NCWD and CLWA. He stated that there was extensive work done with State legislatures on the proposed amendments to SB 634, and the bill mirrors LAFCO's role and responsibilities as it relates to the proposed consolidation. As part of additional amendments to SB 634, the bill will include the Valencia Water Company in the proposed consolidation. There is no impact to the Los Angeles County Waterworks District No. 36 – Val Verde (CWWD 36). Castaic Lake Water Agency is a special act district that requires legislation pertaining to the new governing structure proposed with the consolidation. Mr. Byrne stated that the general public supports the proposed consolidation, and only a small percentage of the public oppose the consolidation. Mr. Byrne stated that he will continue to work with the E.O. regarding the amendments related to SB 634, and suggested that the Commission take a "support unless amended" position on SB 634.

The E.O. noted that the primary objection to SB 634 is that the bill was originally introduced with no LAFCO role. The proposed amendments impose new requirements that were not before the Commission at last month's meeting. The newly formed district "Santa Clarita Valley Water District," created after January 1, 2018, will be required to submit an application for conditions to LAFCO. The Commission would be required to hear the item within 60 days after receipt of the application. By March 2018, the item will be heard by the Commission, which has the ability to impose terms and conditions subject to reasonable restrictions. The E.O. noted the bill would authorize the Commission to determine active powers and latent powers, and specify that any future change of organization or reorganization involving CWWD 36 would require that an application filed with LA LAFCO. As noted, and detailed in the staff report, there are still additional amendments required. There is also an amendment which was not originally included – that LAFCO be compensated for the cost of processing the application with restrictions. The E.O. stated that there are still a series of proposed amendments that are outstanding, which are in the process of being reviewed by State legislators. The E.O. recommended that the Commission retain the "oppose unless amended" position until the Commission receives all amendments in writing.

Supervisor Barger thanked all members of the public who testified at today's meeting, and stated that she supports the staff recommendation to retain the "oppose unless amended" position on SB 634.

There being no further testimony, the public hearing was closed.

The Commission took the following actions:

- Retained the “oppose unless amended” position on SB 634;
- Directed the Executive Officer to continue working with the author, sponsors, legislative staff, and interested parties to obtain amendments to SB 634 which address the issues raised herein; and
- Received and filed the Legislative Report.

MOTION:	BARGER
SECOND:	RUZICKA (ALT. FOR GLADBACH)
AYES:	BARGER, BROGIN-FALLEY (ALT. FOR CLOSE), FINLAY, HAHN, McCALLUM, RUZICKA (ALT. FOR GLADBACH), RYU, SPENCE, DEAR
ABSTAIN:	NONE
NOES:	NONE
ABSENT:	CLOSE, GLADBACH
MOTION PASSES:	9/0/0

[Commissioner Finlay left at 9:40 a.m.]

## 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:	RUZICKA (ALT. FOR GLADBACH)
SECOND:	SPENCE
AYES:	BROGIN-FALLEY (ALT. FOR CLOSE), HAHN, McCALLUM, MITCHELL (ALT. FOR FINLAY), RUZICKA (ALT. FOR GLADBACH), RYU, SPENCE, DEAR
ABSTAIN:	NONE

NOES: NONE  
ABSENT: CLOSE, FINLAY, KUEHL (ALT. FOR BARGER),  
GLADBACH  
MOTION PASSES: 8/0/0

As stated earlier, Supervisor Barger recused herself from Agenda Item No. 9.b.

#### 10 COMMISSIONERS' REPORT

First Vice-Chair Dear stated that the Executive Officer started with LA LAFCO on January 3, 2011. The employment agreement between the Commission and the Executive Officer requires a performance evaluation be conducted every three (3) years. The E.O.'s first performance evaluation was completed in 2014, and he is due for a second performance evaluation. The evaluation process includes a survey to be completed by all Commissioners. First Vice-Chair Dear stated that the E.O.'s performance evaluation will be held as a Closed Session item at the June 14<sup>th</sup> meeting. If there are any amendments to the employment agreement, it would be considered during an Open Session item on July 12<sup>th</sup>. At today's meeting, all Commissioners were provided a survey and a self-addressed stamped envelope. Commissioners were instructed to mail the completed survey to Chair Gladbach no later than Monday, May 29<sup>th</sup>. Chair Gladbach will compile all evaluation forms and tabulate the results by the June 14<sup>th</sup> meeting.

Commissioner McCallum stated he attended the California Association of Local Agency Formation Commissions (CALAFCO) Board of Directors meeting on Friday, May 5<sup>th</sup>. The Board discussed how LAFCOs with smaller budgets can be incorporated into CALAFCO, and there was also discussion on current legislative issues that affect LAFCOs.

#### 11 EXECUTIVE OFFICER'S REPORT

The E.O. noted that staff received a letter (a copy provided to all Commissioners) from CALAFCO thanking staff for participating at the CALAFCO Staff Workshop in Fresno, April 5-7<sup>th</sup>. The E.O. recognized Doug Dorado who served on the Program Committee – Staff Workshop in Fresno.

The E.O. stated that he recently had a discussion with Truc Dever (General Manager, Greater Los Angeles County Vector Control District). In this discussion, he learned that the District plans, in the near future, to file an Out-of-Agency service agreement (on an interim basis) to provide vector and mosquito services to the City of Vernon.

The E.O. stated that on the April 26<sup>th</sup>, the Hermosa Beach City Council approved to annex the City of Hermosa Beach into the Consolidated Fire Protection District of Los Angeles County (CFPD). LAFCO anticipates receiving an application from the CFPD, in the near future, to annex the City of Hermosa Beach into the CFPD.

The E.O. stated that he concluded the interview process for the new Deputy Executive Officer (DEO) position. He announced Adriana Romo (Senior Analyst, Riverside LAFCO) as the new Deputy Executive Officer of LA LAFCO. Mrs. Romo will start her new position in mid-July. The E.O. thanked the Committee for their participation in the recruitment process for the DEO position.

Commissioner Spence asked the E.O. how is the City of Vernon (City) going to obtain funding for pay for services provided by the Greater Los Angeles County Vector Control District (GLACVCD). The E.O. stated that both parties (City and GLACVCD) are currently negotiating the terms and funding sources. Within the period of the interim agreement (1-2 years), Greater Los Angeles County Vector Control District will evaluate the actual costs of providing services to the City of Vernon.

## 12 PUBLIC COMMENT

Joan Dunn, who testified earlier before the Commission, stated that she has loved ones buried at the Lancaster Cemetery. Mrs. Dunn commended and recognized Dayle DeBry (General Manager, Antelope Valley Cemetery District) for her help and taking the time to answer Mrs. Dunn's questions.

## 13 FUTURE MEETINGS

June 14, 2017  
July 12, 2017  
August 9, 2017  
September 13, 2017

## 14 FUTURE AGENDA ITEMS

None.

## 15 ADJOURNMENT MOTION

On motion of Supervisor Hahn, seconded by Ruzicka (Alt. for Chair Gladbach), the meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Paul Novak, AICP, Executive Officer



9:45 AM

06/05/17

Accrual Basis

# LAFCO 03 Register Report May 2017

Type	Date	Num	Name	Memo	Amount	Balance
<b>10000 Cash Unrestricted</b>						
<b>10003 Operating Account</b>						
Bill Pmt -Check	05/04/2017	8402	Certified Records Managment	Storage period 05/01/1...	-413.84	-413.84
Bill Pmt -Check	05/04/2017	8403	Charter Communications	Acct # 8245100171576...	-519.53	-933.37
Bill Pmt -Check	05/04/2017	8404	Douglass Dorado*	Reimbursement: Meetin...	-1,053.16	-1,986.53
Bill Pmt -Check	05/04/2017	8405	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-2,111.53
Bill Pmt -Check	05/04/2017	8406	LACERA	LAFCO OPEB: April 20...	-1,906.49	-4,018.02
Bill Pmt -Check	05/04/2017	8407	Promac Imaging Systems Co	Acct#LA07, C3/28/17-0...	-153.86	-4,171.88
Bill Pmt -Check	05/04/2017	8408	Wells Fargo	Bill ID 90136655707, 0...	-380.63	-4,552.51
Check	05/09/2017	8410	Teachers Insurance Annuity Assoc	Replaces check # 8401...	-7,748.17	-12,300.68
Bill Pmt -Check	05/09/2017	8409	Teachers Insurance Annuity Assoc	VOID: Opening balance	0.00	-12,300.68
Bill Pmt -Check	05/09/2017	8410	TRPF 80 South Lake LP	VOID: Replaces check ...	0.00	-12,300.68
Bill Pmt -Check	05/11/2017	8411	CoreLogic	Acct#200-694038-RR6...	-28.80	-12,329.48
Bill Pmt -Check	05/11/2017	8412	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-12,454.48
Bill Pmt -Check	05/11/2017	8413	Office Depot*		-59.38	-12,513.86
Bill Pmt -Check	05/11/2017	8414	Platinum Consulting		-783.75	-13,297.61
Check	05/12/2017	49322...	ADP	Processing charges for ...	-135.53	-13,433.14
Check	05/15/2017	DD	Ambar De La Torre	Salary, May 15, 2017	-1,806.07	-15,239.21
Check	05/15/2017	DD	Douglass Dorado	Salary, May 15, 2017	-2,984.92	-18,224.13
Check	05/15/2017	DD	Michael E. Henderson	Salary, May 15, 2017	-1,898.62	-20,122.75
Check	05/15/2017	DD	Patricia Knoebl-Wood	Salary, May 15, 2017	-1,253.42	-21,376.17
Check	05/15/2017	DD	Paul Novak	Salary, May 15, 2017	-4,167.65	-25,543.82
Check	05/15/2017	DD	Alisha O'Brien	Salary, May 15, 2017	-1,995.60	-27,539.42
Check	05/15/2017	DM	Federal Tax Deposit	Payroll Taxes, May 15, ...	-3,780.50	-31,319.92
Check	05/15/2017	DM	State Income Tax	Payroll Taxes, May 15, ...	-874.32	-32,194.24
Bill Pmt -Check	05/18/2017	8415	FedEx*	Acct#1244-7035-8	-26.77	-32,221.01
Bill Pmt -Check	05/18/2017	8416	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-32,346.01
Bill Pmt -Check	05/18/2017	8417	Office Depot*		-157.92	-32,503.93
Bill Pmt -Check	05/18/2017	8418	The Lincoln National	LALAFCO-BL-1565902	-202.26	-32,706.19
Check	05/19/2017	49368...	ADP	EZLaborManager: May ...	-51.50	-32,757.69
Bill Pmt -Check	05/25/2017	8419	ATT	Acct#990566760, 05/1...	-231.33	-32,989.02
Bill Pmt -Check	05/25/2017	8420	CTS Glendale		-725.00	-33,714.02
Bill Pmt -Check	05/25/2017	8421	David Spence*	Reimbursement: Month...	-76.50	-33,790.52
Bill Pmt -Check	05/25/2017	8422	Gina Duche	Bookkeeping: 5.0 Hrs	-125.00	-33,915.52
Bill Pmt -Check	05/25/2017	8423	Motor Parks	Cust#025-001, Unreser...	-540.00	-34,455.52
Bill Pmt -Check	05/25/2017	8424	Tropical Interior Plants	Service: April 2017	-100.00	-34,555.52
Bill Pmt -Check	05/25/2017	8425	LACERA	Contributions- April 201...	-69.79	-34,625.31
Bill Pmt -Check	05/25/2017	8426	LACERA	Employee/Employer c...	-9,247.68	-43,872.99
Bill Pmt -Check	05/25/2017	8427	LACERA	Contributions- March 2...	-42.72	-43,915.71
Check	05/26/2017	49392...	ADP	Processing charges for ...	-157.29	-44,073.00
Check	05/30/2017	31429...	Kathryn Barger	Stipend, May 30, 2017	-134.89	-44,207.89
Check	05/30/2017	31429...	Lori W. Brogin	Stipend, May 30, 2017	-138.52	-44,346.41
Check	05/30/2017	DD	Donald L. Dear	Stipend, May 30, 2017	-138.52	-44,484.93
Check	05/30/2017	31429...	Margaret E. Finlay	Stipend, May 30, 2017	-138.52	-44,623.45
Check	05/30/2017	DD	Janice Hahn	Stipend, May 30, 2017	-136.46	-44,759.91
Check	05/30/2017	DD	Gerard McCallum II	Stipend, May 30, 2017	-138.53	-44,898.44
Check	05/30/2017	31429...	Judith Mitchell	Stipend, May 30, 2017	-138.53	-45,036.97
Check	05/30/2017	DD	David E Ryu	Stipend, May 30, 2017	-138.52	-45,175.49
Check	05/30/2017	31429...	Greig L. Smith	Stipend, May 30, 2017	-138.53	-45,314.02
Check	05/30/2017	DD	David Spence	Stipend, May 30, 2017	-138.52	-45,452.54
Check	05/30/2017	DM	Federal Tax Deposit	Payroll Taxes, May 30, ...	-192.36	-45,644.90
Check	05/30/2017	DD	Ambar De La Torre	Salary, May 30, 2017	-1,806.08	-47,450.98
Check	05/30/2017	DD	Douglass Dorado	Salary, May 30, 2017	-2,654.56	-50,105.54
Check	05/30/2017	DD	Michael E. Henderson	Salary, May 30, 2017	-1,898.63	-52,004.17
Check	05/30/2017	DD	Patricia Knoebl-Wood	Salary, May 30, 2017	-1,253.41	-53,257.58
Check	05/30/2017	DD	Paul Novak	Salary, May 30, 2017	-4,167.65	-57,425.23
Check	05/30/2017	DD	Alisha O'Brien	Salary, May 30, 2017	-1,995.60	-59,420.83
Check	05/30/2017	DM	Federal Tax Deposit	Payroll Taxes, May 30, ...	-3,761.92	-63,182.75
Check	05/30/2017	DM	State Income Tax	Payroll Taxes, May 30, ...	-874.32	-64,057.07
Total 10003 Operating Account					-64,057.07	-64,057.07
Total 10000 Cash Unrestricted					-64,057.07	-64,057.07
<b>TOTAL</b>					<b>-64,057.07</b>	<b>-64,057.07</b>

**AGENDA ITEM NO. 6c - June 14, 2017**

**PENDING PROPOSALS AS OF JUNE 6, 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. 2006-46 to Los Angeles County Waterworks District No. 40	New Anaverde, LLC	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete filing: CEQA, registered voter labels, landowner labels, and approved map and legal.	10/5/2006	Unknown
3	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 frw. 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. Emailed district for fees on 4-18-17.	9/22/2008	Unknown
5	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 dedicated 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
6	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
7	DD	Reorganization 2011-16 (Tesoro del Valle)	Montalvo Preperities LLC	Annexation to NCWD and CLWA SOI Amendments for both ddistricts. 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
8	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
9	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
10	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
11	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: CEQA, and approved map and legal. CEQA hearing in May with the County.	7/15/2014	Unknown
12	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
13	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
14	DD	Annexation No. 2015-09 to the City of Pomona	City of Pomona	5.76 acres uninhabited territory. Located south of Valley Blvd approximately 2500' east of Grand Ave, adjacent to the City of Industry and Pomona.	Notice of Filing sent 9-23-15 Incomplete filing: property tax transfer resolution, attachment "A" plan for municipal services, CEQA, party disclosure, pre-zoning, limiting addresses, map of 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
15	AD	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
16	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
17	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
18	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown
19	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	Aug-2017
20	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	Aug-2017
21	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
22	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
23	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
24	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-Monrovia, Altadena, and Kinneloa 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
25	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
26	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
27	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
28	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
29	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
30	DD	Reorganization No. 2017 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	uninhabited territory, located east of the intersection of Las Flores Canyon Road and Live Oak Meadow Road north of the City of Malibu	Notice of Filing sent 4-12-17 Incomplete filing: property tax transfer resolution, CEQA, approved map and legal.	4/6/2017	Unknown

## Staff Report

June 14, 2017

### Agenda Item No. 9.a.

#### 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. **The Senate approved SB 693 on May 31, 2017, and it is now being considered in the Assembly.**

**Commission Position: SUPPORT** (Meeting of April 12, 2017)

- **AB 464 (Gallagher):** 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 Assembly approved AB 464 on May 22, 2017. On May 24, 2017, the Senate referred AB 464 to the Committee on Governance & Finance.**

**Commission Position: SUPPORT** (Meeting of April 12, 2017)

- **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 Assembly approved AB 979 on May 22, 2017; it was introduced in the Senate the same day, where it was referred to the Assembly Rules Committee for assignment to a policy committee.**

**Commission Position: SUPPORT** (Meeting of April 12, 2017)

- **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. **The Assembly approved AB 1725 on May 18, 2017; it was introduced in the Senate the same day, where it was referred to the Assembly Rules Committee for assignment to a policy committee.**

**Commission Position: SUPPORT** (Meeting of April 12, 2017)

- **SB 634 (Wilk)**: This bill proposes a legislative consolidation of two independent water districts (the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD)) into a newly-formed “Santa Clarita Valley Water District.” The bill, as originally introduced on February 17<sup>th</sup>, had no role in the consolidation for LA LAFCO. Previously, the Commission adopted and confirmed an “Oppose unless amended” position concerning SB 634. **The Senate approved SB 634 on May 31, 2017, and the bill is now being considered in the Assembly.**

At the May 10<sup>th</sup> Commission meeting—and despite several favorable changes in the April 19<sup>th</sup> amended version of the bill—staff identified four procedural items that remained of concern. Senator Wilk amended SB 634 on May 26<sup>th</sup> with revisions which addressed all of staff’s concerns (as well as other issues). Specifically, these amendments:

1. Prohibit the new Santa Clarita Valley Water District from providing retail service within the boundaries of Los Angeles County Waterworks District No. 36, Val Verde (WWD36) without the consent of WWD36 or the incorporation of WWD36 into the Santa Clarita Valley Water District (Page 7, revised language in Section 17(h), lines 33-36);
2. Require the dissolution of the Valencia Water Company no later than July 1, 2018 (Page 8, Section 14(i), Lines 12-22) and eliminate the internal retail divisions as soon as feasible (Page 8 (lines 34-40) and Page 9 (lines 1-2)).
3. Clarify that LA LAFCO determines the active powers and latent powers for the new Santa Clarita Valley Water District (Page 18, new Section 17(b), lines 10-15);
4. Require the Santa Clarita Valley Water District to reimburse LAFCO for all costs associated with reviewing, analyzing, and issuing a determination relative to the applications for conditions (Page 24, Section 30, new sub-section “(i),” lines 33-37).

On June 1, 2017, the two general managers (Matthew G. Stone for CLWA and Stephen L. Cole for NCWD) sent a letter (via e-mail) requesting that the Commission “change its position on

SB 6345 from ‘Oppose unless Amended’ to ‘Support’ (copy enclosed).

Legislative Update  
June 14, 2017  
Agenda Item No. 9.a.  
Page 3 of 3

In consideration of the amendments to SB 634, and the request from CLWA and NCWD, staff is recommending that the Commission withdraw its “Oppose unless amended” position and adopt a “Neutral” position on SB 634.

The recommendation to withdraw the opposition reflects staff’s opinion that the series of amendments have sufficiently addressed various procedural concerns expressed. Should SB 634 become law, the most notable of these amendments is the requirement for a proposed “application for conditions” which would be considered by the Commission in early 2018.

The recommendation to adopt a “Neutral” position rather than the requested “Support” position reflects two considerations.

The first consideration is that the new district will be created by the Legislature, and not by LA LAFCO. While staff recognizes several unique factors associated with this particular consolidation—the governance issue in particular—the preferred approach to any consolidation of special districts within Los Angeles County would be a more traditional approach, one in which a proposal (or proposals) would be submitted to LAFCO and the Commission (rather than the Legislature and Governor) would determine whether to create the new district.

Should SB 634 become law, a second consideration arises, which is that the Commission is tasked with reviewing an “application for conditions,” and imposing conditions as applicable, in early 2018. Therefore the Commission should not take any position which could be interpreted as a position on the merits of a future application.

**Staff Recommendation:**

Staff recommends that the Commission:

1. Withdraw the “OPPOSE UNLESS AMENDED” position on SB 634, and adopt a “NEUTRAL” position on SB 634, and direct staff to communicate this position in a letter to Senator Wilk, with copies provided to key members of the State Legislature and the Governor;
2. Receive and file the Legislative Report.

Attachment: SB 634 as amended on May 26, 2017.



CASTAIC  
LAKE



WATER  
AGENCY



NEWHALL COUNTY  
WATER DISTRICT

June 1, 2017

Mr. Paul Novak  
Executive Officer  
Local Agency Formation Commission for the County of Los Angeles  
80 S. Lake Avenue  
Pasadena, CA 91101

Submitted via electronic mail: [pnovak@lalafco.org](mailto:pnovak@lalafco.org)

Re: Request for Support of SB 634

Dear Mr. Novak:

The Castaic Lake Water Agency (CLWA) and Newhall County Water District (NCWD) respectfully request that the Local Agency Formation Commission for the County of Los Angeles to change its position on SB 634 from "Oppose unless Amended" to "Support".

Senator Wilk, the author of SB 634, has amended the bill a number of times since we first began discussing SB 634 with you and the Commission and we believe that the current form of the bill addresses the Commission's concerns. We very much appreciate the time and attention that you have given to this very important legislation and again respectfully request the Commission adopt a "support" position.

Regards,

Matthew G. Stone  
General Manager, Castaic Lake Water Agency

Stephen L. Cole  
General Manager, Newhall County Water District

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE MAY 2, 2017

AMENDED IN SENATE APRIL 19, 2017

**SENATE BILL**

**No. 634**

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**Introduced by Senator Wilk**

February 17, 2017

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An act to repeal Section 57114.5 of the Government Code, to repeal the Castaic Lake Water Agency Law (Chapter 28 of the First Extraordinary Session of the Statutes of 1962), and to create the Santa Clarita Valley Water District, and prescribing its boundaries, organization, operation, management, financing, and other powers and duties, relating to water districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as amended, Wilk. Santa Clarita Valley Water District.

Existing law, the Castaic Lake Water Agency Law, created the Castaic Lake Water Agency and authorizes the agency to acquire water and water rights, including water from the State Water Project, and to provide, sell, and deliver water at wholesale for municipal, industrial, domestic, and other purposes.

This bill would repeal the Castaic Lake Water Agency Law.

Existing law, the County Water District Law, authorizes the formation of county water districts and authorizes those districts to appropriate, acquire, and conserve water and water rights for any useful purpose and to operate water rights, works, properties, rights, and privileges useful or necessary to convey, supply, store, or make use of water for any purpose authorized by that law.

This bill would reorganize the Newhall County Water District and the Castaic Lake Water Agency into the Santa Clarita Valley Water District, which this bill would create, and prohibit the Castaic Lake Water Agency and the Newhall County Water District from operating as separate entities or exercising independent functions. The bill would generally specify the powers and purposes, as well as the boundaries, of the Santa Clarita Valley Water District and would provide that the purpose of the district is to provide, sell, manage, and deliver surface water, groundwater, and recycled water at retail or wholesale within the district's territory. The bill would prescribe the composition of the board of directors of the district.

Existing law requires, for any proposal involving the dissolution of the Newhall County Water District, that the California Water Commission forward the change of organization or reorganization for confirmation by the voters if the commission finds that a petition requesting that the proposal be submitted for confirmation by the voters has been signed, as prescribed.

This bill would repeal that provision.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (act), provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts.

This bill would require the district to submit an application for conditions addressing the creation of the district to the Local Agency Formation Commission for the County of Los Angeles, as specified, and require the commission to prepare a written report, which may contain specific conditions to which the district would be subject and which the commission deems appropriate under the act. *The bill would require the district to reimburse the Local Agency Formation Commission for the County of Los Angeles for all costs associated with the submittal, review, consideration, preparation, and determination associated with the application for conditions and the preparation of the written report.*

By imposing duties on the district and a county in connection with the operation of the district, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) Residents and businesses of the Santa Clarita Valley are  
3 served by several separate retail water providers. It is an inherently  
4 fragmented structure with noncontiguous service areas that has  
5 resulted in redundancies, interagency conflict, and barriers to  
6 integrated regional water management. Despite these challenges,  
7 the region's water providers continue to provide reliable and  
8 cost-effective water service.

9 (b) Castaic Lake Water Agency was created pursuant to the  
10 Castaic Lake Water District Law (Chapter 28 of the First  
11 Extraordinary Session of the Statutes of 1962). The agency is a  
12 State Water Project contractor and provides wholesale water service  
13 to the Santa Clarita Valley region, which has a population of over  
14 270,000.

15 (c) The agency provides retail water service to a portion of the  
16 valley through its Santa Clarita Water Division, which has  
17 approximately 30,700 service connections. In addition, the agency  
18 owns the stock of the Valencia Water Company, which provides  
19 retail water service in the valley and has approximately 31,350  
20 service connections.

21 (d) Newhall County Water District is a county water district  
22 formed pursuant to the County Water District Law (Division 12  
23 (commencing with Section 30000) of the Water Code). The district  
24 provides retail water service in the valley to approximately 9,750  
25 service connections.

26 (e) Castaic Lake Water Agency is the owner of all of the  
27 outstanding stock of Valencia Water Company, which is a private  
28 company that provides retail water service in the valley to  
29 approximately 31,350 service connections.

30 (f) Representatives from the agency and the district began  
31 meeting in 2015 for the purpose of settling litigation between the  
32 entities arising from the agency's purchase of the company's stock.  
33 As the settlement discussions progressed, both sides began to see

1 merit in and discuss the possibility of combining the two entities  
2 into a new public agency.

3 (g) Beginning in February 2016, the agency and the district  
4 began conducting an extensive evaluation and public process to  
5 determine whether creating a new combined public entity is in the  
6 best interest of the residents of the Santa Clarita Valley. This effort  
7 included a series of joint meetings and public workshops to gather  
8 information and public input.

9 (h) The agency and the district also launched an Internet Web  
10 site dedicated to the subject to inform the public and seek input,  
11 conducted two public opinion surveys, commissioned an  
12 independent third party to conduct a financial evaluation of a  
13 proposed new entity, prepared a comprehensive joint new public  
14 water district formation study, and presented to many groups and  
15 at events across the valley throughout 2016.

16 (i) The independent financial evaluation determined that both  
17 the agency and the district are in sound financial condition and  
18 that the formation of a new combined district would achieve  
19 operational cost efficiencies and economies of scale in project  
20 costs and pave the way for savings. The public opinion surveys  
21 also showed support for creating a new combined public entity,  
22 and the joint study determined that in addition to foundational  
23 efficiencies and cost savings, a new combined district would be  
24 much better positioned to provide improved regional water resource  
25 management.

26 (j) On December 13, 2016, the agency and the district held a  
27 joint public board meeting and voted to enter into an agreement  
28 to settle litigation between the two agencies. The settlement  
29 agreement includes a commitment to seek state legislation to  
30 combine the agency and the district into a new public entity.

31 (k) The agency and the district concluded in the settlement  
32 agreement that they conducted an open and transparent process  
33 and that ratepayer value and multistakeholder benefits have been  
34 the central priority. Based on this process, the agency and the  
35 district anticipate there will be multiple benefits to the ratepayers  
36 resulting from combining the two entities into one new water  
37 district, including, but not limited to, economies of scale such that  
38 the new water district's expenses will be less than the total  
39 expenses of the individual entities.

(l) The two agencies further concluded that, given the importance of watershed-based water resource management and local regional planning, a single entity would build on and lead to greater success in water conservation, groundwater management, including conjunctive management of groundwater and surface water supplies, formation and participation in a groundwater sustainability agency, and future recycled water expansion across the Santa Clarita Valley.

(m) *A single entity would also facilitate greater cooperation between the new water district, the Santa Clarita Valley Sanitation District, and the County of Los Angeles Department of Water Works, to better manage all water resources, including stormwater, and promote stewardship of natural resources in the Santa Clarita Valley.*

(n) *It is the intent of the Legislature that, following the enactment of this act, the Valencia Water Company will be dissolved and incorporated into the district.*

SEC. 1.5. Section 57114.5 of the Government Code is repealed.

SEC. 2. The Castaic Lake Water Agency Law (Chapter 28 of the First Extraordinary Session of the Statutes of 1962, as amended by Chapter 1715 of the Statutes of 1963, Chapter 443 of the Statutes of 1970, Chapter 561 of the Statutes of 1971, Chapter 1252 of the Statutes of 1975, Chapter 1128 of the Statutes of 1984, Chapter 832 of the Statutes of 1986, Chapter 1119 of the Statutes of 1987, Chapter 1181 of the Statutes of 1988, Chapter 910 of the Statutes of 1989, Chapter 562 of the Statutes of 1991, Chapter 841 of the Statutes of 1997, Chapter 170 of the Statutes of 1998, Chapter 929 of the Statutes of 2001, Chapter 27 of the Statutes of 2007, and Chapter 328 of the Statutes of 2010), is repealed.

SEC. 3. This section shall be known and may be cited as the Santa Clarita Valley Water District Act and reads as follows:

#### SANTA CLARITA VALLEY WATER DISTRICT ACT

Section 1. This act shall be known and may be cited as the Santa Clarita Valley Water District Act.

Sec. 2. The Santa Clarita Valley Water District is hereby created, organized, and incorporated. The district shall be managed as expressly provided in this act and the district may exercise the powers in this act that are expressly granted or necessarily implied.

1 The district may include contiguous or noncontiguous parcels of  
2 both unincorporated and incorporated territory and territory  
3 included in any public district having similar powers. As used in  
4 this act and unless otherwise indicated by its context, "district"  
5 means the Santa Clarita Valley Water District.

6 Sec. 2.5. The purpose of the district is to unify and modernize  
7 water resource management within the Santa Clarita Valley through  
8 the efficient, sustainable, and affordable provision, sale,  
9 management, and delivery of surface water, groundwater, and  
10 recycled water for municipal, industrial, domestic, and other  
11 purposes at retail and wholesale within the territory of the ~~district~~.  
12 *district and to do so in a manner that promotes the sustainable*  
13 *stewardship of natural resources in the Santa Clarita Valley.*

14 Sec. 3. For purposes of this act, the initial boundaries of the  
15 district shall be the boundaries of the Castaic Lake Water Agency,  
16 as those boundaries existed on December 31, 2017, and as  
17 confirmed by the Los Angeles Local Area Formation Commission  
18 in its final written report pursuant to Section 30.

19 Sec. 4. (a) The Castaic Lake Water Agency created pursuant  
20 to the Castaic Lake Water District Law (Chapter 28 of the First  
21 Extraordinary Session of the Statutes of 1962) and the Newhall  
22 County Water District created pursuant to the County Water  
23 District Law (Division 12 (commencing with Section 30000) of  
24 the Water Code), shall be reorganized into the Santa Clarita Valley  
25 Water District and shall no longer operate as separate entities or  
26 exercise independent functions.

27 (b) The district shall be the successor to the Castaic Lake Water  
28 Agency and the Newhall County Water District for the purpose  
29 of succeeding to all of the rights, duties, obligations, contracts,  
30 responsibilities, assets, entitlements, and liabilities of the Castaic  
31 Lake Water Agency and the Newhall County Water District,  
32 including, but not limited to, the performance or payment of any  
33 outstanding bonds described in Section 53350 of the Government  
34 Code.

35 (c) All property, whether real or personal, and including all  
36 moneys such as cash on hand and moneys due uncollected, and  
37 assets and liabilities of the Castaic Lake Water Agency and the  
38 Newhall County Water District shall be transferred to and vested  
39 in the district.

1 (d) All employees of the Castaic Lake Water Agency and the  
2 Newhall County Water District shall become employees of the  
3 district.

4 (e) The district may continue to levy, impose, or fix and collect  
5 any previously authorized charge, fee, assessment, or tax approved,  
6 imposed, and levied by the Castaic Lake Water Agency or the  
7 Newhall County Water District, or both, including, but not limited  
8 to, any rates, fees, and charges for the provision of water. Any  
9 charge, fee, assessment, or tax authorized and in effect for the  
10 Castaic Lake Water Agency or the Newhall County Water District  
11 shall remain in effect until otherwise modified, increased, or  
12 terminated by the board of directors of the district.

13 (f) The district shall be the successor in interest to *the* Castaic  
14 Lake Water Agency's water supply contract with the Department  
15 of Water Resources dated August 3, 1962, as thereafter amended,  
16 for a water supply from the State Water Resources Development  
17 System, including all of the rights, responsibilities, and obligations  
18 contained in the contract, and the district shall succeed to the legal  
19 authority held by *the* Castaic Lake Water Agency for the  
20 performance and enforcement of that contract.

21 (g) The indebtedness of the Newhall County Water District and  
22 the Santa Clarita Water Division, a retail division of the Castaic  
23 Lake Water Agency, that exists as of December 31, 2017, including  
24 acquisition costs, tax obligations, and debt financing of capital  
25 improvement projects, shall be borne by retail divisions of the  
26 district that correspond with the Newhall County Water District  
27 and Santa Clarita Water Division areas, respectively, and paid for  
28 from the revenues of the corresponding retail divisions. Any  
29 indebtedness incurred by the district shall not be limited by this  
30 subdivision.

31 (h) The district shall continue to supply water at wholesale to  
32 Los Angeles County Waterworks District No. 36, Val Verde,  
33 ~~which, but shall not serve water at retail within the boundaries of~~  
34 *that waterworks district without that waterworks district's consent*  
35 *or incorporation into the district. Los Angeles County Waterworks*  
36 *District No. 36, Val Verde*, upon mutual agreement between it and  
37 the district, may be incorporated into the district following  
38 appropriate procedures under the Cortese-Knox-Hertzberg Local  
39 Government Reorganization Act of 2000 (Division 3 (commencing  
40 with Section 56000) of Title 5 of the Government Code). Any



1 proposed future change of organization or reorganization involving  
2 the district and the Los Angeles County Waterworks District No.  
3 36, Val Verde, or any other public agency under the Local Agency  
4 Formation Commission for the County of Los Angeles on *or after*  
5 January 1, 2018, shall be subject to the filing with the Local  
6 Agency Formation Commission for the County of Los Angeles  
7 and shall be subject to review, consideration, and determination  
8 by the Local Agency Formation Commission for the County of  
9 Los Angeles consistent with the Cortese-Knox-Hertzberg Local  
10 Government Reorganization Act of 2000 (Division 3 (commencing  
11 with Section 56000) of Title 5 of the Government Code).

12 (i) The district shall continue to supply water at wholesale to  
13 Valencia Water Company. If the Castaic Lake Water Agency is  
14 the owner of all of the stock of Valencia Water Company on  
15 ~~January 1, 2018,~~ *December 31, 2017*, the district, as the successor  
16 in interest to Castaic Lake Water Agency, shall be the owner of  
17 the stock of Valencia Water Company and shall take the  
18 appropriate steps together with the board of directors of the  
19 Valencia Water Company to dissolve Valencia Water Company  
20 and to transfer the company's assets, property, liabilities, and  
21 indebtedness to the district as soon as ~~practicable by~~ *practicable*,  
22 *but no later than* July 1, 2018, consistent with the requirements of  
23 subdivision (j) and any other obligations of the parties. A transfer  
24 pursuant to this subdivision is not subject to the  
25 Cortese-Knox-Hertzberg Local Government Reorganization Act  
26 of 2000 (Division 3 (commencing with Section 56000) of Title 5  
27 of the Government Code).

28 (j) If *Valencia Water Company* or any other retail water supplier  
29 is incorporated into the district, the indebtedness of the retail water  
30 supplier that exists immediately before the incorporation shall be  
31 borne by the customers in the area that corresponds with the  
32 boundaries of the retail water supplier and paid for from the  
33 revenues of that area.

34 (k) The district may treat the retail divisions as a single unit for  
35 purposes of operations and expenses to the extent that it is  
36 ~~economically~~ *economically* beneficial for the operations of the  
37 district as a whole, but as long as any preexisting indebtedness of  
38 a retail division remains outstanding, that indebtedness shall  
39 continue to be allocated to that retail division and paid from that  
40 retail division's rates and charges. When all such preexisting

1 indebtedness has been retired, the district shall dispense with the  
2 retail divisions for all purposes as soon as feasible.

3 Sec. 5. The district is divided into three electoral divisions as  
4 follows:

5 (a) The first electoral division shall include the real property  
6 described as follows:

7 Beginning at the intersection of Newhall Ranch Road and  
8 Interstate 5; thence proceeding easterly along Newhall Ranch Road  
9 to Golden Valley Road; thence proceeding northerly along Golden  
10 Valley Road to Ermine Street; thence proceeding easterly along  
11 Ermine Street and Ermine Place and the extension of Ermine Place  
12 to Whites Canyon Road; thence proceeding along Whites Canyon  
13 Road to Nadal Street; thence proceeding easterly along Nadal  
14 Street to Bermina Avenue; thence proceeding southerly along  
15 Bermina Avenue to Delight Street; thence proceeding westerly  
16 along Delight Street to Bakerton Avenue; thence proceeding  
17 southerly along Bakerton Avenue to the ~~Bakerton~~ Bakerton Avenue  
18 right of way just south of the power lines approximately 135 feet  
19 south of Kimbrough Street; thence proceeding westerly and  
20 southerly along the ~~right-of-way~~ *right-of-way* behind the parcels  
21 on the east side of Crossglade Avenue until Allenwick Avenue;  
22 thence proceeding southerly along Allenwick Avenue to Vicci  
23 Street; thence proceeding westerly along Vicci Street to Crossglade  
24 Avenue; thence proceeding southerly along Crossglade Avenue  
25 to its dead end and continuing due south into the parking lot until  
26 its conclusion; thence proceeding westerly and southerly and  
27 easterly along the northern, ~~western~~ *western*, and southern borders  
28 of Census Block 060379200351017, going around the two  
29 apartment buildings; thence proceeding easterly along the riverbed  
30 to Highway 14; thence proceeding northeasterly along Highway  
31 14 to the district's eastern border; thence proceeding clockwise  
32 along the district's border to the intersection of Highway 14 and  
33 the district's southern border; thence proceeding northerly along  
34 Highway 14 to Newhall Avenue; thence proceeding northwesterly  
35 along Newhall Avenue to Main Street; thence proceeding northerly  
36 along Main Street to Lyons Avenue; thence proceeding westerly  
37 along Lyons Avenue to Orchard Village Road; thence proceeding  
38 northerly along Orchard Village Road to McBean Parkway; thence  
39 proceeding westerly along McBean Parkway to Interstate 5; thence  
40 proceeding northerly along Interstate 5 to the point of origin.

1 (b) The second electoral division shall include the real property  
2 described as follows:

3 Beginning at the intersection of the district's northern border  
4 and the Los Angeles Aqueduct easement on the western border of  
5 Census Block 060379200152002, between Harmony Way and  
6 Evening Star Court; thence proceeding southerly along the  
7 Aqueduct easement to Copper Hill Drive; thence proceeding  
8 westerly along Copper Hill Drive to McBean Parkway; thence  
9 proceeding southerly along McBean Parkway to Newhall Ranch  
10 Road; thence proceeding easterly along Newhall Ranch Road to  
11 Golden Valley Road; thence proceeding northerly along Golden  
12 Valley Road to Ermine Street; thence proceeding easterly along  
13 Ermine Street and Ermine Place and the extension of Ermine Place  
14 to Whites Canyon Road; thence proceeding along Whites Canyon  
15 Road to Nadal Street; thence proceeding easterly along Nadal  
16 Street to Bermina Avenue; thence proceeding southerly along  
17 Bermina Avenue to Delight Street; thence proceeding westerly  
18 along Delight Street to Bakerton Avenue; thence proceeding  
19 southerly along Bakerton Avenue to the ~~Bakerton~~ Bakerton Avenue  
20 right of way just south of the power lines approximately 135 feet  
21 south of Kimbrough Street; thence proceeding westerly and  
22 southerly along the ~~right-of-way~~ *right-of-way* behind the parcels  
23 on the east side of Crossglade Avenue until Allenwick Avenue;  
24 thence proceeding southerly along Allenwick Avenue to Vicci  
25 Street; thence proceeding westerly along Vicci Street to Crossglade  
26 Avenue; thence proceeding southerly along Crossglade Avenue  
27 to its dead end and continuing due south into the parking lot until  
28 its conclusion; thence proceeding westerly and southerly and  
29 easterly along the northern, ~~western~~ *western*, and southern borders  
30 of Census Block 060379200351017, going around the two  
31 apartment buildings; thence proceeding easterly along the riverbed  
32 to Highway 14; thence proceeding northeasterly along Highway  
33 14 to the district's eastern border; thence proceeding  
34 counter-clockwise along the district's border to the point of origin.

35 (c) The third electoral division shall include the real property  
36 described as follows:

37 Beginning at the intersection of the district's northern border  
38 and the Los Angeles Aqueduct easement on the western border of  
39 Census Block 060379200152002, between Harmony Way and  
40 Evening Star Court; thence proceeding southerly along the

1 Aqueduct easement to Copper Hill Drive; thence proceeding  
2 westerly along Copper Hill Drive to McBean Parkway; thence  
3 proceeding southerly along McBean Parkway to Newhall Ranch  
4 Road; thence proceeding westerly along Newhall Ranch Road to  
5 Interstate 5; thence proceeding southerly along Interstate 5 to  
6 McBean Parkway; thence proceeding easterly along McBean  
7 Parkway to Orchard Village Road; thence proceeding southerly  
8 along Orchard Village Road to Lyons Avenue; thence proceeding  
9 easterly along Lyons Avenue to Main Street; thence proceeding  
10 southerly along Main Street to Newhall Avenue; thence proceeding  
11 southeasterly along Newhall Avenue to Highway 14; thence  
12 proceeding southerly along Highway 14 to the district's southern  
13 border; thence proceeding clockwise along the district's border to  
14 the point of origin.

15 Sec. 6. The board of directors shall adjust the electoral division  
16 boundaries described in Section 5 by resolution pursuant to Chapter  
17 8 (commencing with Section 22000) of Division 21 of the Elections  
18 Code.

19 Sec. 7. As used in this act:

20 (a) "Private corporation" means and includes any private  
21 corporation organized under federal law or the laws of any state.

22 (b) "Public agency" means and includes the federal government,  
23 the State of California, a county, a city, a public corporation, the  
24 Metropolitan Water District of Southern California, or other public  
25 district of this state.

26 (c) "Purveyor" means the Los Angeles County Waterworks  
27 District No. 36, Val Verde, which is a retail water supplier that  
28 has facilities connected to the district's water transmission system  
29 and is under contract with the district for water.

30 Sec. 8. (a) The district shall be governed by a board of directors  
31 that shall initially consist of 15 members as follows:

32 (1) The five members of the Newhall County Water District  
33 board of directors in office as of December 31, 2017.

34 (2) The appointed member representing the purveyor described  
35 in subdivision (a) of Section 10 and the nine elected members of  
36 the Castaic Lake Water Agency board of directors in office as of  
37 December 31, 2017.

38 (b) Each elected member of the board of directors shall be a  
39 resident within the district's service territory and shall hold office  
40 until his or her successor is elected pursuant to Section 9.

1 (c) Each of the initial members of the board of directors of the  
2 district, except for the initial appointed member, are deemed to be  
3 designated as a director from the electoral division, as described  
4 in Section 5, in which his or her residence is located.

5 (d) Each of the initial members of the board of directors of the  
6 district, except for the initial appointed member, shall hold office  
7 as follows:

8 (1) The initial terms of directors whose respective terms as a  
9 member of the Castaic Lake Water Agency or Newhall County  
10 Water District board of directors would have expired following  
11 the 2018 general election shall expire following the 2020 general  
12 election.

13 (2) The initial terms of directors whose respective terms as a  
14 member of the Castaic Lake Water Agency or Newhall County  
15 Water District board of directors would have expired following  
16 the 2020 general election shall expire following the 2022 general  
17 election.

18 (3) If any elected initial member of the board of the district  
19 resigns, vacates, or is removed from office before the expiration  
20 of his or her initial term, the board may, in its discretion, decide  
21 not to appoint a successor. The board shall appoint a successor if  
22 the electoral division in which the vacancy occurs will have less  
23 than four members representing the electoral division on the board  
24 of directors.

25 Sec. 9. (a) All elected successors of the first board of directors  
26 shall be elected at the time and in the manner provided in the  
27 Uniform District Election Law (Part 4 (commencing with Section  
28 10500) of Division 10 of the Elections Code).

29 (b) Successors to the first board of directors shall be elected by  
30 the voters for each electoral division as follows:

31 (1) Two directors elected for each electoral division at the 2020  
32 general election. ~~Commencing with the 2024 general election, and~~  
33 ~~for at every election on that four-year election cycle thereafter,~~  
34 ~~one director shall be elected from each electoral division~~  
35 ~~thereafter.~~

36 (2) ~~Two directors~~ *One director* elected for each electoral division  
37 at the 2022 general election and at every election on that four-year  
38 election cycle thereafter.

39 (c) Each elected director shall have his or her primary residence  
40 in and be an elector in the electoral division he or she represents.

1 Each elected director shall serve a four-year term from the date of  
2 taking office and until the election and qualification of a successor.  
3 A director shall take office on the first Monday of the January after  
4 an election.

5 (d) Any vacancy in the board of directors shall be filled by a  
6 majority vote of the remaining directors in accordance with  
7 subdivision (d) of Section 1780 of the Government Code.

8 (e) If a director's place of residence, as defined in Section 244  
9 of the Government Code, is moved outside of that director's  
10 electoral division where elected from an electoral division, and if  
11 within 180 days of the move the director fails to reestablish a place  
12 of residence within the director's electoral division, it shall be  
13 presumed that a permanent change of residence has occurred and  
14 that a vacancy exists on the board of directors pursuant to Section  
15 1770 of the Government Code.

16 Sec. 10. (a) The initial board of directors of the district shall  
17 include the Castaic Lake Water Agency director who was  
18 nominated by the purveyor and in office as a Castaic Lake Water  
19 Agency director as of December 31, 2017. This initial appointed  
20 director shall serve an initial term of one year that expires on  
21 January 1, 2019. The subsequent terms for the director nominated  
22 by the purveyor shall be four years.

23 (b) After the initial appointed director's term expires on January  
24 1, 2019, the office of the appointed director shall be filled as  
25 follows:

26 (1) Not more than 90 or less than 30 days before the expiration  
27 of the term of office of the appointed director, the purveyor shall  
28 submit a nominee for a successor appointed director to the board  
29 of directors. A nominee of the purveyor may be a director, officer,  
30 agent, or employee of the purveyor and shall be a registered voter  
31 within the County of Los Angeles or the County of Ventura. Any  
32 appointed director whose term is expiring may be nominated by  
33 the purveyor for reappointment by the board of directors as the  
34 successor appointed director. If a vacancy occurs in the office of  
35 appointed director, the purveyor shall nominate a person for  
36 appointment to the vacant office not more than 60 days after the  
37 occurrence of the vacancy.

38 (2) The board of directors shall appoint the nominee within 30  
39 days after the nomination is submitted, or may within the same  
40 time period by resolution reject the nominee for cause, which shall

1 be documented in the resolution by a detailed statement of reasons.  
2 If the board of directors rejects the nominee, the purveyor shall  
3 promptly submit a second and different nominee to the board of  
4 directors. The board of directors shall appoint the second nominee  
5 within 30 days after the second nomination is submitted, or may  
6 within the same time period by resolution likewise reject that  
7 second nominee for cause, which shall be documented in the  
8 resolution by a detailed statement of reasons. If the board of  
9 directors rejects the nominee, the purveyor shall select a third and  
10 still different nominee, which nominee shall be entitled without  
11 further board action to take an oath of office as required by law  
12 and to thereafter serve as an appointed director of the district. A  
13 successor appointed director shall take office on the first Monday  
14 in January in odd-numbered years, or as soon thereafter as  
15 qualifying by taking the required oath of office. A successor  
16 appointed director appointed to or otherwise entitled to fill a  
17 vacancy shall take office immediately upon taking the required  
18 oath of office. A nominee of a purveyor who is the general manager  
19 of the purveyor shall be rejected for appointment only on the  
20 ground that the nominee is legally disqualified from holding the  
21 office of director by a provision of applicable law.

22 (c) An incumbent in the office of appointed director shall be  
23 subject to recall by the voters of the entire district in accordance  
24 with Division 11 (commencing with Section 11000) of the  
25 Elections Code, except that any vacancy created by a successful  
26 recall shall be filled in accordance with subdivision (b).

27 (d) Notwithstanding anything to the contrary in this act, the  
28 position of appointed director shall be eliminated and abolished  
29 effective January 1, ~~2025~~, 2023. The position of appointed director  
30 shall be eliminated and abolished before January 1, ~~2025~~, 2023,  
31 if any of the following conditions are met:

32 (1) The district acquires the purveyor or the purveyor is  
33 incorporated into the district.

34 (2) The Board of Supervisors of the County of Los Angeles by  
35 an affirmative vote of a majority of its membership eliminates the  
36 appointed director position.

37 (e) Notwithstanding any other law, the provisions of Article 4.7  
38 (commencing with Section 1125) of Chapter 1 of Division 4 of  
39 Title 1 of the Government Code shall not be applicable to the  
40 appointed director. The fact *that* the appointed director is

1 simultaneously a director, officer, agent, or employee of the  
2 purveyor shall not in any way constitute the holding of  
3 incompatible offices under or for ~~purpose~~ *purposes* of any common  
4 law doctrine prohibiting the simultaneous holding of these offices,  
5 and shall not disqualify the director from serving as a director of  
6 the district or from discharging fully the responsibilities of the  
7 office of appointed director with respect to any matter coming  
8 before the board of directors of the district for consideration,  
9 decision, determination, or other form of action.

10 Sec. 11. (a) A person who may vote at any district election  
11 held under the provisions of this act shall be a voter within the  
12 meaning of the Elections Code, residing in the electoral division  
13 of the district in which he or she casts his or her vote. For the  
14 purpose of registering voters who shall be entitled to vote at district  
15 elections, the county elections official is authorized, in any county  
16 in which the district is located, to indicate upon the affidavit of  
17 registration whether the voter is a voter of a district.

18 (b) In case the boundary line of the district crosses the boundary  
19 line of a county election precinct, only those voters within the  
20 district and within the precinct who are registered as being voters  
21 within the district shall be permitted to vote, and for that purpose  
22 the county elections official may provide two sets of ballots within  
23 those precincts, one containing the names of candidates for office  
24 in the district, and the other not containing those names, and it  
25 shall be the duty of the election officers in those precincts to furnish  
26 only those persons registered as voters within the district with the  
27 ballots upon which are printed the names of the candidates for  
28 office in the district.

29 (c) In a county in which the district is located, the county  
30 elections official is hereby given authority to have printed upon  
31 the official ballots provided for voters at elections for directors a  
32 heading in the same form as that provided by the Elections Code  
33 for nonpartisan officers, which heading shall be marked "Santa  
34 Clarita Valley Water District," with a subheading "For a Member  
35 of the Board of Directors, Division \_\_\_\_ (here inserting the number  
36 of the electoral division).

37 Sec. 12. The board of directors shall hold its first meeting as  
38 soon as possible at which it shall choose one of its members to be  
39 president. The board of directors may appoint from its members  
40 additional officers and may define the duties of those officers. The



1 board of directors shall provide for the time and place of holding  
2 its meetings and the manner in which its special meetings may be  
3 called. A majority of the board of directors shall constitute a  
4 quorum for the transaction of business.

5 Sec. 13. (a) The board of directors may act by ordinance,  
6 resolution, or motion. On all ordinances the roll shall be called  
7 and the ayes and noes recorded in the journal of the proceedings  
8 of the board of directors. Resolutions and motions may be adopted  
9 by voice vote, but on demand of any member the roll shall be  
10 called. Except as provided in Section 14, an ordinance, motion, or  
11 resolution shall not be passed or become effective without the  
12 affirmative vote of a majority of the membership of the board.

13 (b) The enacting clause of all ordinances passed by the board  
14 shall be, "Be it ordained by the Board of Directors of the Santa  
15 Clarita Valley Water District as follows:"

16 (c) Each member of the board of directors shall receive  
17 compensation equal to the amount of compensation authorized for  
18 a Castaic Lake Water Agency director as of December 31, 2017,  
19 for each meeting of the board attended and for each day's service  
20 rendered as a director at the request of the board. This initial  
21 compensation may be adjusted in accordance with Chapter 2  
22 (commencing with Section 20200) of Division 10 of the Water  
23 Code.

24 Sec. 14. (a) The board of directors may take action on the  
25 following items only by an affirmative vote of four-fifths of the  
26 membership of the board:

27 (1) Authorizing the district to support or take action to further  
28 any amendments or efforts to amend this section.

29 (2) Issuing new debt in excess of ten million dollars  
30 (\$10,000,000) at any one time that relates to retail functions of the  
31 district, excluding the refinancing of existing debt. The threshold  
32 of ten million dollars (\$10,000,000) shall be adjusted annually in  
33 proportion to the assessed value of real property within the district.

34 (3) For the retail division of the district that corresponds with  
35 the Newhall County Water District area, changes to the volumetric,  
36 nontiered retail rate structure that existed for the Newhall County  
37 Water District area as of December 31, 2017. This paragraph does  
38 not include changes to the tiered retail rate structure.

39 (b) On or before January 1, 2019, the district shall develop a  
40 ratesetting process that includes an independent ratepayer advocate

1 to advise the board of directors and provide information to the  
2 public before the adoption of new rates. The ratepayer advocate  
3 shall be selected by the board of directors and shall serve in an  
4 advisory capacity only. The board of directors shall develop and  
5 adopt any necessary rules and procedures to define the role of the  
6 ratepayer advocate. The board of directors shall not eliminate the  
7 ratesetting process or ratepayer advocate developed pursuant to  
8 this subdivision without an affirmative vote of four-fifths of the  
9 membership of the board of directors.

10 (c) Until December 31, 2024, the board of directors may  
11 dispense with the four-fifths vote requirement for the actions  
12 described in subdivisions (a) and (b) at any time upon an  
13 affirmative vote of four-fifths of the membership of the board of  
14 directors.

15 (d) On and after January 1, 2025, the board of directors may at  
16 any time dispense with the four-fifths vote required for any action  
17 described in subdivisions (a) and (b) by a majority vote of the  
18 membership of the board.

19 Sec. 15. (a) No informality in any proceeding or informality  
20 in the conduct of any election, not substantially affecting adversely  
21 the legal rights of any citizen, shall be held to invalidate the  
22 incorporation of the district and the legal existence of the district  
23 and all proceedings in respect to the incorporation and the legal  
24 existence of the district shall be held to be valid and in every  
25 respect legal and incontestable.

26 (b) An action to determine the validity of any bonds, warrants,  
27 promissory notes, contracts, or other evidences of indebtedness of  
28 the kinds authorized by this act may be brought pursuant to Chapter  
29 9 (commencing with Section 860) of Title 10 of Part 2 of the Code  
30 of Civil Procedure.

31 Sec. 16. At its first meeting, or as soon as practicable, the board  
32 of directors shall, by a majority vote of the membership of the  
33 board, appoint a general manager, secretary, and treasurer or  
34 auditor. The board shall define the duties of these appointees and  
35 fix their compensation in accordance with Division 12  
36 (commencing with Section 30000) of the Water Code. The board  
37 may employ additional assistants, employees, engineers, attorneys,  
38 professionals, and other consultants as the board deems necessary  
39 to efficiently maintain and operate the district.

1     Sec. 17. (a) Except as otherwise provided in this ~~act~~, *act and*  
2 *in subdivision (b)*, the district has and may exercise the powers  
3 expressly granted or necessarily implied in, and may operate in  
4 accordance with, Part 5 (commencing with Section 31000), Part  
5 6 (commencing with Section 31300), Part 7 (commencing with  
6 Section 31650), and Part 8 (commencing with Section 32200) of  
7 the County Water District Law (Division 12 (commencing with  
8 Section 30000)) of the Water Code. The district may exercise these  
9 powers throughout its territory.

10     (b) *The district may exercise any functions or class of services*  
11 *that are not certified by the Local Agency Formation Commission*  
12 *for the County of Los Angeles under subdivision (e) of Section 30*  
13 *only pursuant to application to, and approval of, the Local Agency*  
14 *Formation Commission for the County of Los Angeles, as provided*  
15 *in that section.*

16     Sec. 18. The district shall have the power to do all of the  
17 following:

18     (a) To acquire, hold, and utilize water and water rights,  
19 including, but not limited to, water available from the state under  
20 the State Water Resources Development System, and to provide,  
21 sell, manage, and deliver surface water, groundwater, and recycled  
22 water for municipal, industrial, domestic, and other purposes at  
23 retail and wholesale throughout the territory of the district.

24     (b) To construct, operate, and maintain works to develop energy,  
25 including, but not limited to, hydroelectric, solar, wind, and other  
26 renewable sources, inside or outside the district for use by the  
27 district in the operation of its works or as a means of assisting in  
28 financing the construction, operation, and maintenance of its  
29 projects for the control, conservation, diversion, and transmission  
30 of water and to enter into contracts for the sale of the energy. The  
31 energy may be marketed only at wholesale to any public agency  
32 or private entity, or both.

33     (c) To enter into contracts with any public agency or private  
34 entity engaged in the generation or distribution of electric energy  
35 for the right to use falling water, facilities, or real property of the  
36 district, either inside or outside the district, for energy generation  
37 or distribution purposes.

38     (d) To develop, treat, distribute, manage, and reclaim water,  
39 and to store and recover water from groundwater basins located  
40 wholly or partially inside or outside the boundaries of the district

1 and, in exercising that power, to make and enter into contracts  
2 allowing that storage and recovery.

3 (e) To join with one or more public agencies, private  
4 corporations, or other persons for the purpose of carrying out any  
5 of the powers of the district, and for that purpose to contract with  
6 other public agencies or private corporations or persons for the  
7 purpose of financing those acquisitions, constructions, and  
8 operations. The contracts may provide for contributions to be made  
9 by each party to the contract and for the division and apportionment  
10 of the expenses of the acquisitions and operations, and the division  
11 and apportionment of the benefits, the services and products from  
12 the contract, and may provide for any agency to effect the  
13 acquisitions and to carry on the operations, and shall provide in  
14 the powers and methods of procedure for the agency the method  
15 by which the agency may contract. The contracts with other public  
16 agencies or private corporations or persons may contain other and  
17 further covenants and agreements as may be necessary or  
18 convenient to accomplish the purposes of the contract. In addition  
19 to and without limiting all of the other powers of the district, the  
20 district may contract with the State of California for delivery of  
21 water under the State Water Resources Development System.  
22 Contracts under this subdivision include those made with the  
23 federal government under the Federal Reclamation Act of June  
24 17, 1902, as amended, or any other act of the United States  
25 Congress enacted permitting cooperation.

26 (f) To require reporting to the district of all production,  
27 distribution, and reclamation of water within the district in excess  
28 of 10 acre-feet per annum.

29 (g) To join with one or more local agencies to form a  
30 groundwater sustainability agency pursuant to Section 10723.6 of  
31 the Water Code and to participate with a groundwater sustainability  
32 agency to develop and implement a groundwater sustainability  
33 plan within the district in accordance with Chapter 6 (commencing  
34 with Section 10727) of Part 2.74 of Division 6 of the Water Code.

35 (h) To contract with the purveyor or successor in interest to the  
36 purveyor.

37 (i) (1) To construct works along and across any stream of water,  
38 watercourse, channel, flood control channel, storm channel, canal,  
39 ditch or flume, street, avenue, highway, or across any railway that  
40 the route of the works may intersect or cross, if the works are

1 constructed in a manner as to afford security for life and property  
2 and the district restores the crossings and intersections to their  
3 former state as near as may be or in a manner not to have impaired  
4 unnecessarily their usefulness. This paragraph grants the district  
5 a statutory franchise right and therefore the district may not be  
6 charged any use fees or be made subject to any conditions that  
7 unreasonably interfere with the franchise rights.

8 (2) The statutory franchise right and right-of-way granted in  
9 paragraph (1) is hereby given, dedicated, and set apart to locate,  
10 construct, and maintain the works along and across any street or  
11 public highway and over and through any of the lands that are now  
12 or may be the property of this state, and to have the same rights  
13 and privileges as have been or may be granted to cities within the  
14 state. Any use under this section of a public highway shall be  
15 subject to the provisions of Chapter 3 (commencing with Section  
16 660) of Division 1 of the Streets and Highways Code.

17 Sec. 19. The financial or other interest of any appointed director  
18 in any contract between the purveyor or successor in interest to  
19 the purveyor and the district, or the fact that an appointed director  
20 may hold the position of a director, officer, agent, or employee of  
21 the purveyor or successor in interest to the purveyor, shall not  
22 constitute a violation of Section 1090 of the Government Code,  
23 and that interest or fact shall not render the contract void or make  
24 it avoidable under Section 1092 of the Government Code, at the  
25 instance of any party, if either the fact of the interest or the fact of  
26 the relationship as director, officer, agent, or employee, or both,  
27 are disclosed to the board of directors of the district and noted in  
28 its official records and the board authorizes, approves, or ratifies  
29 the contract by a vote of its membership sufficient for the purpose  
30 without counting the vote of the interested appointed director.

31 Sec. 20. Notwithstanding any other law, the district may fix,  
32 levy, or collect any standby or availability charge or assessment  
33 in connection with the provision of water service pursuant to the  
34 procedures set forth in the Uniform Standby Charge Procedures  
35 Act (Chapter 12.4 (commencing with Section 54984) of Part 1 of  
36 Division 2 of Title 5 of the Government Code).

37 Sec. 21. The district may impose and collect capacity charges  
38 and connection fees pursuant to Section 66013 of the Government  
39 Code.

1     Sec. 22. The district may prescribe, by resolution or ordinance,  
2     that when any capacity charges or connection fees adopted pursuant  
3     to this act become due and are unpaid under and in accordance  
4     with the rules and regulations concerning those charges and fees,  
5     the charges and fees may be secured and collected in accordance  
6     with the procedures specified in Sections 23 and 24.

7     Sec. 23. The amount of any delinquent and unpaid capacity  
8     charges or connection fees shall be collected with the annual taxes  
9     next levied upon the property that is subject to the imposition of  
10    a capacity charge or connection fee, and that amount constitutes  
11    a lien on that property as of the same time and in the same manner  
12    as the tax lien securing annual property taxes. If during the year  
13    preceding the date on which the first installment of real property  
14    taxes that evidence the charges appears on the roll, any real  
15    property to which the lien would attach has been transferred or  
16    conveyed to a bona fide purchaser for value, or if a lien of a bona  
17    fide encumbrancer for value has been created and attaches to the  
18    real property, the lien that would otherwise be imposed by this  
19    section shall not be added to and become part of the annual  
20    assessment and it shall not attach to the real property. A county in  
21    which the district is located shall deduct from the capacity charges  
22    and connection fees collected by it an amount sufficient to  
23    compensate the county for costs incurred in collecting the  
24    delinquent and unpaid capacity charges and connection fees. The  
25    amount of that compensation shall be fixed by agreement between  
26    the board of supervisors of the county and the board of directors  
27    of the district.

28    Sec. 24. (a) If delinquent and unpaid capacity charges or  
29    connection fees are determined to exist by the district, the amount  
30    of those charges or fees may, in the discretion of the district, be  
31    secured at any time by filing for record in the office of the county  
32    recorder of the county in which the real property is located a  
33    certificate specifying the amount of those charges and fees and the  
34    name and address of the person liable for the delinquent and unpaid  
35    charges or fees.

36    (b) From the time of recordation of the certificate, the amount  
37    required to be paid, together with interest and penalties, constitutes  
38    a lien upon all real property in the county owned by the person or  
39    later acquired before the lien expires. The lien shall have the force,  
40    priority, and effect of a judgment lien and shall continue for 10

1 years from the date of the filing of the certificate, unless sooner  
2 released or otherwise discharged. The lien may, within 10 years  
3 from the filing of the certificate or within 10 years from the date  
4 of the last extension of the lien in the manner provided in this  
5 subdivision, be extended by filing for record a new certificate.  
6 From the time of that filing, the lien shall be extended with respect  
7 to the real property in that county for 10 additional years unless  
8 sooner released or otherwise discharged.

9 Sec. 25. Any bonds issued by the district are hereby given the  
10 same force, value, and use as bonds issued by any city and shall  
11 be exempt from all taxation within the state.

12 Sec. 26. (a) Except as otherwise provided in this act, the  
13 County Water District Law (Division 12 (commencing with Section  
14 30000) of the Water Code) shall govern the formation, operation,  
15 and dissolution of all improvement districts, so far as they may be  
16 applicable.

17 (b) The board of directors may advance general funds of the  
18 district to accomplish the purposes of an improvement district  
19 formed to incur bonded indebtedness or for any other purpose for  
20 which an improvement district may be created and, if the  
21 improvement district is formed to incur bonded indebtedness, may  
22 repay the district from the proceeds of the sale of the bonds, or if  
23 the improvement district is formed for any other purpose for which  
24 an improvement district may be created, in the formation of the  
25 improvement district, provide that the district shall be repaid with  
26 interest at a rate not to exceed the maximum rate per annum  
27 authorized by Section 31304 of the Water Code from the special  
28 taxes levied exclusively upon the taxable property in the  
29 improvement district.

30 (c) Interest on any bonds issued by the district coming due  
31 before the proceeds of a tax levied at the next general tax levy after  
32 the sale of the bonds are available may be paid from the proceeds  
33 of the sale of the bonds. The percentage of the proceeds of any  
34 sale of the bonds shall not exceed the maximum interest rate  
35 authorized, for other purposes, by Section 31304 of the Water  
36 Code.

37 Sec. 27. The district may contain lands situated in more than  
38 one county, and the district may annex lands situated in another  
39 county.

1     Sec. 28. The provisions of this act are severable. If any  
2     provision of this act or its application is held invalid, that invalidity  
3     shall not affect other provisions or applications that can be given  
4     effect without the invalid provision or application.

5     Sec. 29. No public corporation or public agency having the  
6     same identity of purpose or substantially the same identity of  
7     purpose as the district shall be formed partly or entirely within the  
8     district, whether by incorporation or annexation, without the  
9     consent of the board of directors of the district.

10    Sec. 30. (a) ~~The~~ *On or before January 31, 2018, the* district  
11    shall submit an application for conditions addressing the creation  
12    of the district to the Local Agency Formation Commission for the  
13    County of Los Angeles ~~on January 31, 2018.~~ *Angeles.* The  
14    application shall include a copy of this act, a map and description  
15    of the boundaries of the district, and a plan for providing services  
16    that includes the information described in Section 56653 of the  
17    Government ~~Code.~~ *Code, as applicable.* ~~The plan for services~~  
18    ~~application for conditions~~ shall identify the ~~powers functions or~~  
19    ~~class of services~~ that were ~~being authorized~~ *exercised by the*  
20    Castaic Lake Water Agency and Newhall County Water District  
21    on December 31, 2017.

22    (b) The Local Agency Formation Commission for the County  
23    of Los Angeles shall hold a noticed public hearing regarding the  
24    application no later than 60 days after the submission of the  
25    application. The Local Agency Formation Commission for the  
26    County of Los Angeles shall prepare a written report, which may  
27    contain specific conditions pertaining to the formation of the  
28    district as the commission may deem appropriate under the  
29    Cortese-Knox-Hertzberg Local Government Reorganization Act  
30    of 2000 (Division 3 (commencing with Section 56000) of Title 5  
31    of the Government Code). A condition specified in the written  
32    report shall be consistent with this act and shall be consistent with  
33    and subject to Sections 56853 and 56886 of the Government Code.  
34    The written report shall be completed and posted on the ~~County~~  
35    Local Agency Formation Commission for the County of Los  
36    Angeles Internet Web site and made available, upon request, to  
37    the public not less than five days before the date specified in the  
38    noticed hearing.



1 (c) Within 30 days of the public hearing, the Local Agency  
2 Formation Commission for the County of Los Angeles shall  
3 approve a final written report.

4 (d) Any specific conditions pertaining to the district in the Local  
5 Agency Formation Commission for the County of Los Angeles  
6 final written report shall be applicable and binding upon the district  
7 to the extent the conditions are not inconsistent with this act and  
8 Sections 56853 and 56886 of the Government Code.

9 (e) In addition to any conditions, the Local Agency Formation  
10 Commission for the County of Los Angeles shall certify in the  
11 written report the ~~powers~~ *functions or class of services* that were  
12 being exercised by the Castaic Lake Water Agency and the Newhall  
13 County Water District on December 31, 2017. Any other ~~powers~~  
14 *functions or class of services* that are authorized by the act, but  
15 are not certified by the Local Agency Formation Commission for  
16 the County of Los Angeles, may only be exercised pursuant to  
17 application to, and approval of, the Local Agency Formation  
18 Commission for the County of Los Angeles pursuant to ~~Section~~  
19 ~~56824.10~~ *Sections 56824.10 to 56824.14, inclusive*, of the  
20 Government Code.

21 (f) Section 99 of the Revenue and Taxation Code does not apply  
22 to this section.

23 (g) Except as provided in this section as it relates to the  
24 imposition of conditions, the Cortese-Knox-Hertzberg Local  
25 Government Reorganization Act of 2000 does not apply to the  
26 district's application for conditions.

27 (h) Notwithstanding any other provision in this act, the Local  
28 Agency Formation Commission for the County of Los Angeles  
29 shall not impose any condition on the district that requires a protest  
30 proceeding or an election, as described in Part 4 (commencing  
31 with Section 57000) and Part 5 (commencing with Section 57300)  
32 of Division 3 of Title 5 of the Government Code, respectively.

33 (i) *The district shall reimburse the Local Agency Formation*  
34 *Commission for the County of Los Angeles for all costs associated*  
35 *with the submittal, review, consideration, preparation, and*  
36 *determination associated with the application for conditions and*  
37 *the preparation of the written report.*

38 SEC. 4. No reimbursement is required by this act pursuant to  
39 Section 6 of Article XIII B of the California Constitution because  
40 a local agency or school district has the authority to levy service

1 charges, fees, or assessments sufficient to pay for the program or  
2 level of service mandated by this act or because the only costs that  
3 may be incurred by a local agency or school district are the result  
4 of a program for which legislative authority was requested by that  
5 local agency or school district, within the meaning of Section  
6 17556 of the Government Code and Section 6 of Article XIII B of  
7 the California Constitution.

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## **Staff Report**

**June 14, 2017**

### **Agenda Item No. 9.b.**

#### **Resolution Authorizing Participation in the Special District Risk Management Authority's Property/Liability Program**

##### **Background:**

The Special District Risk Management Authority (SDRMA) is a Joint Powers Authority (JPA) formed in 1986 (as an offshoot of the California Special Districts Association, or CSDA) to provide property, liability, workers' compensation benefits, and risk management services statewide to public agencies.

LAFCO has obtained Workers' Compensation insurance from SDRMA since 2004 (prior to that LAFCO utilized the State Compensation Insurance Fund). At the Commission meeting on June 13, 2007, the Commission approved a resolution authorizing staff to execute documents wherein LAFCO entered into and adopted the Sixth Amended Joint Powers Agreement, as required for all public agencies receiving insurance through SDRMA. LAFCO also retains membership in the CSDA, as required for all insurance program participants.

LAFCO has obtained separate property and liability insurance coverage from an independent insurance carrier. Staff recently reviewed existing private insurance rates, as well as proposals from SDRMA and another JPA. Based upon a review of premium costs from all sources, staff proposes to secure all insurance policies (both workers compensation and property/liability) through SDRMA directly. This reduces LAFCO's overall insurance costs, entitles LAFCO to multi-party discounts offered by SDRMA, eliminates broker commissions, and simplifies accounting and record-keeping under one insurer.

To obtain the additional coverage, the Commission is required to adopt a resolution approving participation in the SDRMA Property/Liability Program. The resolution has have been reviewed by LAFCO counsel.

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

Staff recommends that the Commission:

1. Approve the Resolution Authorizing Participation in the Special District Risk Management Authority's Property/Liability Program (attached); and
2. Direct the Executive Officer to execute all appropriate resolutions and application forms required to secure property/liability insurance through SDRMA.

**RESOLUTION NO. \_\_\_\_\_**  
**A RESOLUTION OF THE LOCAL AGENCY FORMATION**  
**COMMISSION FOR THE COUNTY OF LOS ANGELES AUTHORIZING PARTICIPATION IN THE**  
**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S PROPERTY/LIABILITY PROGRAM**

**WHEREAS, Local Agency Formation Commission for the County of Los Angeles (LAFCO)**, a public entity existing under and by virtue of the laws of the State of California, has determined that it is in the best interest and to the advantage of the LAFCO to participate for at least three full years in the Property/Liability Program offered by the Special District Risk Management Authority (the "Authority"); and

**WHEREAS**, California Government Code Section 6500 *et seq.*, provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

**WHEREAS**, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing its members with risk financing and risk management programs; and

**WHEREAS**, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

**WHEREAS**, participation in Special District Risk Management Authority programs requires LAFCO to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); which states the purpose and powers of the Authority; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and LAFCO is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES AS FOLLOWS:**

Section 1. Findings. LAFCO hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of LAFCO.

Section 2. Sixth Amended JPA Agreement. The Amended JPA Agreement has previously been executed and entered into by and between LAFCO and members of the Special District Risk Management Authority.

Section 3. Program Participation. LAFCO approves participating for three full program years in Special District Risk Management Authority Property/Liability Program.

Section 4. Other Actions. The Commissioners of LAFCO are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such Commissioners are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Paul A. Novak  
Executive Officer

\_\_\_\_\_  
Patricia Wood  
Administrative Clerk