



Local Agency Formation Commission
for the **County of Los Angeles**

SPECIAL MEETING

**LOCAL AGENCY FORMATION COMMISSION
MEETING AGENDA**

Wednesday, November 15, 2017

9:00 a.m.

Room 381B

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

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
Marquee 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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- 1. CALL MEETING TO ORDER**
- 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 October 11, 2017.
- b. Approve Operating Account Check Register for the month of October 2017.
- c. Receive and file update on pending proposals.

7. PUBLIC HEARING(S)

- a. Reorganization No. 2016-08 to the City of Bradbury, Amendments to the City of Bradbury, the City of Monrovia, and the Consolidated Fire Protection District Spheres of Influences (SOI), Detachment from the City of Monrovia, and Annexation to the City of Bradbury and the Consolidated Fire Protection District, and California Environmental Quality Act (CEQA) exemption.

8. PROTEST HEARING(S)

- a. Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena) and California Environmental Quality Act (CEQA) exemption.
- b. Annexation No. 2017-03 to the Antelope Valley Cemetery District and California Environmental Quality Act (CEQA) exemption.
- c. Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County, and Environmental Impact Report.

9. OTHER ITEMS

- a. Vector Control Districts' Presentation.
- b. 2018 Commission Calendar.
- c. Independent Auditor's Report, Fiscal Year 2016-17.
- d. Approval of Proposed Health Care Related Administrative Services Agreement ("Agreement") by and between the Los Angeles County Employees Retirement Association ("LACERA") and the Local Agency Formation Commission for the County of Los Angeles.
- e. Awarding of Service Pins.

10. LEGISLATION

- a. Legislative Update.

11. MISCELLANEOUS CORRESPONDENCE RECEIVED

None.

12. 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.

13. EXECUTIVE OFFICER'S REPORT

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting. Agenda – November 15, 2017

14. PUBLIC COMMENT

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

15. FUTURE MEETINGS

December 13, 2017 (Cancelled)

January 10, 2018

February 14, 2018

March 14, 2018

16. 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.

17. 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

Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerard McCallum
2nd Vice-Chair

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REGULAR MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

October 11, 2017

Present:

Jerry Gladbach, Chair

Kathryn Barger
Richard Close
Donald Dear
Margaret Finlay
Gerard McCallum

Joe Ruzicka, Alternate

Paul Novak, Executive Officer
Erik Conard, Legal Counsel

Absent:

Janice Hahn

Lori Brogin-Falley, Alternate
Marqueece Harris-Dawson, Alternate
Sheila Kuehl, Alternate
Judith Mitchell, Alternate
Greig Smith, Alternate

Vacant:

Voting City Member (formerly David Spence)
Voting Los Angeles City Member (formerly David Ryu)

1 CALL MEETING TO ORDER

The meeting was called to order at 9:01 a.m. in Room 381-B of the County Hall of Administration by Chair Jerry Gladbach.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Jerry Gladbach.

Chair Gladbach indicated that a Commissioner was leaving early, therefore the Agenda Items will be out of sequential order.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

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

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore-in one (1) member of the audience who planned to testify.

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

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of September 13, 2017.
- b. Approved Operating Account Check Register for the month of September 2017.
- c. Received and filed update on pending proposals.
- d. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 751 to the County Sanitation District No. 21 of Los Angeles County; Resolution No. 2017-34RMD.
- e. Adopted the Resolution Making Determinations, including the California Environmental

Quality Act determinations, Approving and Ordering Annexation No. 296 to the County Sanitation District No. 15 of Los Angeles County; Resolution No. 2017-35RMD.

MOTION: DEAR
SECOND: FINLAY
AYES: BARGER, CLOSE, DEAR, FINLAY, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: HAHN, McCALLUM
MOTION PASSED: 5/0/0

[Commissioner McCallum arrived at 9:06 a.m.]

7 PUBLIC HEARING(S)

The following item was called for consideration:

- a. Annexation No. 2017-03 to the Antelope Valley Cemetery District.

The EO summarized the staff report on Annexation No. 2017-03 to the Antelope Valley Cemetery District.

The EO noted that the assessed valuation of \$1,958,873 is incorrectly stated in the staff report. The EO stated that LAFCO staff will obtain the correct assessed valuation as necessary for the protest proceedings on November 15th.

The EO thanked Doug Dorado (LAFCO Government Analyst) for working diligently on getting this item on today's Agenda in order to meet the statutory deadline for the associated property tax transfer to occur on July 1, 2018. The EO also thanked Jason Tajima (County of Los Angeles, Chief Executive Office) for his efforts in expediting the tax transfer resolutions. The EO also thanked the Antelope Valley Cemetery District Board of Trustees and District Manager, Dayle DeBry, for their efforts in moving this annexation forward.

Commissioner Barger thanked LAFCO staff and all parties involved for bringing this annexation to completion.

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

The Commission took the following actions:

- Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 2017-03 to the Antelope Valley Cemetery District; Resolution No. 2017-36RMD.

- Pursuant to Government Code Section 57002, set November 15, 2017, at 9:00 a.m., in Room 381-B of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California, 90012, as the date, time, and place for Commission protest proceedings.

MOTION: FINLAY
SECOND: DEAR
AYES: BARGER, CLOSE, DEAR, FINLAY, McCALLUM,
GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: HAHN
MOTION PASSED: 6/0/0

Chair Gladbach indicated that the Commission would now move to Agenda Item 9.a.

9 OTHER ITEMS (AGENDA ITEM OUT OF ORDER)

The following item was called up for consideration:

- a. Proposed Approval of a Memorandum of Understanding Concerning Provision of Health and Medical Benefits by and between the County of Los Angeles and the Local Agency Formation Commission for the County of Los Angeles.

Adriana Romo (Deputy Executive Officer) summarized the staff report on Proposed Approval of a Memorandum of Understanding Concerning Provision of Health and Medical Benefits by and between the County of Los Angeles and the Local Agency Formation Commission for the County of Los Angeles.

The Commission took the following action:

- Approved and directed the LAFCO Chair to execute the Memorandum of Understanding Concerning Provision of Health and Medical Benefits by and between the County of Los Angeles County and the Local Agency Formation Commission for the County of Los Angeles.

MOTION: BARGER
SECOND: FINLAY
AYES: BARGER, CLOSE, DEAR, FINLAY, McCALLUM,
GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: HAHN
MOTION PASSED: 6/0/0

Chair Gladbach indicated that the Commission would now move back to Agenda Item 7.b.

7 PUBLIC HEARING(S)

The following item was called for consideration:

- b. Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County.

The EO summarized the staff report on Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County.

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

The Commission took the following actions:

- Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2017-37RMD.
- Pursuant to Government Code Section 57002, set November 15, 2017, at 9:00 a.m., in Room 381-B of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California, 90012, as the date, time, and place for Commission protest proceedings.

MOTION:	FINLAY
SECOND:	DEAR
AYES:	BARGER, CLOSE, DEAR, FINLAY, McCALLUM, GLADBACH
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	HAHN
MOTION PASSED:	6/0/0

8 PROTEST HEARING(S)

None.

9 OTHER ITEMS

The following item was called up for consideration:

- b. Proposed Cancellation of the December 13th Commission Meeting.

The EO summarized the staff report on the Proposed Cancellation of the December 13th Commission Meeting.

The Commission took the following actions:

- Cancelled the December 13, 2017 Commission Meeting; and
- Directed the Executive Officer to send notice via the LAFCO e-mail alert notification system and post notice on the LAFCO website.

MOTION: BARGER
SECOND: DEAR
AYES: BARGER, CLOSE, DEAR, FINLAY, McCALLUM,
GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: HAHN
MOTION PASSED: 6/0/0

[Commissioner Finlay left at 9:14 a.m.]

9 OTHER ITEMS

The following item was called up for consideration:

- c. Sativa County Water District – Commission Update.

The EO summarized the staff report on the Sativa County Water District – Commission Update.

Chair Gladbach asked the EO if representatives from the Sativa County Water District (District) indicated they would be present at today's meeting. The EO stated that District representatives had not notified staff whether they would attend.

The EO recommended that an annual update will no longer be conducted for the Sativa County Water District. Should the District move forward to implement LAFCO's Municipal Service Review recommendations, the District can always submit an application to LAFCO to amend its Sphere of Influence (SOI) from a zero SOI to a coterminous SOI.

Commissioner Close asked what is LAFCO's authority to take action against the District. The EO stated that the Commission could initiate a consolidation or dissolution. The EO indicated that the two agencies most likely to take over water service for the District are currently not viable options. If the Commission would move forward to consolidate or dissolve the District, the action is, additionally, subject to protest proceedings.

Commissioner Close asked if the District is having problems with providing water service and/or

with the costs associated with providing water to its customers. The EO stated that the District has raised water rates but that the rates of the District remain lower compared to surrounding agencies. The EO indicated that LAFCO staff is not aware of any service complaints. The EO also stated his concern about a catastrophic occurrence, and the sudden costs associated with getting infrastructure up and running. Residents may not be prepared to absorb the costs of that impact. The EO noted that most water districts raise their rates incrementally, and have good financial reserves. The EO stated that he believes the District has not done either to the extent it should.

Commissioner Close asked how much lower are water rates compared to other surrounding water agencies in the area. The EO stated that water rates have been traditionally been 10% - 15% lower compared to surrounding agencies.

The Commission voiced that they were disappointed that District representatives were not present for this item.

Commissioner Barger asked if a catastrophic event occurred, who would be mandated to step in and take over water service for the District. The EO indicated that the ultimate authority to take over service is the County of Los Angeles. The EO stated that the District has \$500,000 in reserves, but has aging infrastructure. The District has been in the process of building a new well. The EO indicated that last year, Supervisor Ridley-Thomas directed the Los Angeles County Department of Public Works to assist the District to address LAFCO's recommendations. The EO stated that he does not know whether progress has been made.

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

The Commission took no action on Agenda Item 9.c.

10 LEGISLATION

a. Legislative Update.

The EO noted that on October 3rd, the Governor signed SB 693 (Mendoza) for the creation of the Lower San Gabriel River Recreation and Park District, which is subject to the filing of an application with LAFCO. The EO indicated that the Governor has until October 15, 2017 to take action on SB 634 (Wilk), the proposed consolidation between Castaic Lake Water Agency and Newhall County Water District.

The Commission took the following action:

- Received and filed the Legislative Report.

MOTION:	DEAR
SECOND:	McCALLUM

AYES: BARGER, CLOSE, DEAR, McCALLUM, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: HAHN, FINLAY
MOTION PASSED: 5/0/0

11 MISCELLANEOUS CORRESPONDENCE RECEIVED

- a. Special District Risk Management Authority: President's Special Acknowledgement Award – Workers' Compensation Program (no written staff report).

The EO noted that a letter from the Special District Risk Management Authority (included in the Agenda Package) indicated that LAFCO has not filed any workers' compensation claims within the last five (5) years.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

The EO stated that maps of the vector control districts' boundaries containing "gap" in service areas were provided to each of the Commissioners. These "gaps" represent less than one percent (1%) of all developed, urbanized areas in Los Angeles County. The EO stated that the next step is to share these maps with each of the five (5) vector control districts to receive their input and initiate a plan for the affected vector control districts to process an application to annex those "gaps" in service.

The EO stated that he will be meeting with representatives of the Antelope Valley Mosquito and Vector Control District in late November, and will report back to the Commission in January 2018.

The EO stated that a letter from William Kruse (Special Counsel; Lagerlof, Senecal, Gosney & Kruse) addressed to all the independent special districts in Los Angeles was received at LAFCO on October 10th (a copy of this letter was provided to the Commissioners). This letter indicates that Mr. Kruse will conduct the elections for Chair and Voting Member Jerry Gladbach and Alternate Member Joe Ruzicka, whose terms are set to expire in May 2018.

14 PUBLIC COMMENT

Galen Hunter (a Redondo Beach resident) spoke before the Commission. Mr. Hunter gave a historical perspective of the coastal boundaries between the Cities of Redondo Beach and Hermosa Beach. Mr. Hunter discussed the history of Old Salt Lake.

Commissioner Dear asked Mr. Hunter if he had approached the Cities of Redondo Beach and

Hermosa Beach. Mr. Hunter stated “yes”.

15 FUTURE MEETINGS

November 15, 2017 (moved from November 8, 2017)
December 13, 2017 (cancelled)
January 10, 2018
February 14, 2018

16 FUTURE AGENDA ITEMS

None.

17 ADJOURNMENT MOTION

On motion of Commissioner Dear, seconded by Commissioner McCallum, the meeting was adjourned at 9:36 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

4:54 PM

11/07/17

Accrual Basis

LAFCO 03 Register Report October 2017

Type	Date	Num	Name	Amount	Balance
10000 Cash Unrestricted					
10003 Operating Account					
Bill Pmt -Check	10/03/2017	4973...	Charter Communications	0.00	0.00
Bill Pmt -Check	10/03/2017	8589	Charter Communications	-519.30	-519.30
Bill Pmt -Check	10/03/2017	8590	County Counsel	-5,181.69	-5,700.99
Bill Pmt -Check	10/03/2017	8591	Gina Duche	-500.00	-6,200.99
Bill Pmt -Check	10/03/2017	8592	Mail Finance	-380.23	-6,581.22
Bill Pmt -Check	10/03/2017	8593	Office Depot*	-771.66	-7,352.88
Bill Pmt -Check	10/03/2017	8594	Promac Imaging Systems Co	-147.61	-7,500.49
Bill Pmt -Check	10/03/2017	8595	Welis Fargo	-548.06	-8,048.55
Check	10/13/2017	DD	Paul Novak	-4,598.25	-12,646.80
Check	10/13/2017	DD	Adriana Romo	-2,860.76	-15,507.56
Check	10/13/2017	DD	Patricia Knoebl-Wood	-964.48	-16,472.04
Check	10/13/2017	DD	Michael Henderson	-1,979.60	-18,451.64
Check	10/13/2017	DM	Douglass Dorado	-2,693.82	-21,145.46
Check	10/13/2017	DM	Ambar De La Torre	-1,835.20	-22,980.66
Check	10/13/2017	DD	Alisha O'Brien	-2,117.21	-25,097.87
Check	10/13/2017	DM	State Income Tax	-1,208.69	-26,306.56
Check	10/13/2017	DM	State Income Tax	-39.17	-26,345.73
Check	10/13/2017	DM	Federal Tax Deposit	-4,738.92	-31,084.65
Check	10/13/2017	ADP	ADP	-128.95	-31,213.60
Bill Pmt -Check	10/19/2017	8605	CoreLogic	-28.80	-31,242.40
Bill Pmt -Check	10/19/2017		Daily Journal	0.00	-31,242.40
Bill Pmt -Check	10/19/2017	8603	FedEx	-405.31	-31,647.71
Bill Pmt -Check	10/19/2017	8602	LACERA	-1,946.33	-33,594.04
Bill Pmt -Check	10/19/2017	8601	Office Depot*	-59.44	-33,653.48
Bill Pmt -Check	10/19/2017	8600	Platinum Consulting	-3,742.50	-37,395.98
Bill Pmt -Check	10/19/2017	8599	Tropical Interior Plants	-100.00	-37,495.98
Bill Pmt -Check	10/19/2017	8598	Western Graphix	-41.42	-37,537.40
Check	10/19/2017	EFT	Intuit Checks / Forms	-75.45	-37,612.85
Check	10/19/2017	8606	VOIDED CHECK	0.00	-37,612.85
Check	10/20/2017	ADP	ADP	-52.50	-37,665.35
Bill Pmt -Check	10/23/2017	8604	Daily Journal	0.00	-37,665.35
Bill Pmt -Check	10/23/2017	8607	Daily Journal*	-22.50	-37,687.85
Check	10/27/2017	ADP	ADP	-144.21	-37,832.06
Check	10/30/2017	DD	Ambar De La Torre	-1,835.20	-39,667.26
Check	10/30/2017	DM	Douglass Dorado	-2,693.81	-42,361.07
Check	10/30/2017	DD	Michael Henderson	-1,979.59	-44,340.66
Check	10/30/2017	DD	Patricia Knoebl-Wood	-514.17	-44,854.83
Check	10/30/2017	DD	Paul Novak	-4,598.25	-49,453.08
Check	10/30/2017	DD	Alisha O'Brien	-2,117.20	-51,570.28
Check	10/30/2017	DD	Adriana Romo	-3,041.96	-54,612.24
Check	10/30/2017	4973...	Kathryn Barger	-134.09	-54,746.33
Check	10/30/2017	4973...	Richard Close	-138.52	-54,884.85
Check	10/30/2017	DD	Donald L. Dear	-138.52	-55,023.37
Check	10/30/2017	4973...	Margaret E. Finlay	-138.53	-55,161.90
Check	10/30/2017	4973...	Edward G. Gladbach	-138.52	-55,300.42
Check	10/30/2017	DD	Gerard McCallum II	-138.53	-55,438.95
Check	10/30/2017	DM	State Income Tax	-1,225.06	-56,664.01
Check	10/30/2017	DM	Federal Tax Deposit	-4,758.94	-61,422.95
Check	10/30/2017	DM	Federal Tax Deposit	-93.00	-61,515.95
Total 10003 Operating Account				-61,515.95	-61,515.95
Total 10000 Cash Unrestricted				-61,515.95	-61,515.95
TOTAL				-61,515.95	-61,515.95

AGENDA ITEM NO. 6c - November 15, 2017

PENDING PROPOSALS AS OF NOVEMBER 8, 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, and 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 dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010	Unknown
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 Properties LLC	Annexation to NCWD and CLWA SOI Amendments for both districts. 801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.	Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution. Project has changed ownership. Need new application	5/5/2011	Unknown
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	Approved September 13, 2017 pending recordation	7/15/2014	Jan-2018
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 limiting addresses, radius map, registered voter labels within affected territory, registered voters within 300' radius, landowners within affected territory, landowners within 300' radius, map and legal not approved	9/22/2015	Unknown
15	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
16	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of 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
17	DD	Reorganization No. 2016-08 to the City of Bradbury	City of Bradbury	2.98 acres of uninhabited territory located east of the intersection of Wild Rose Ave and Deodar Lan, in the City of Monrovia	agenda November 15, 2017	10/25/2016	Jan-2018
18	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-Monroise, 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.	agenda November 15, 2017	1/25/2017	Nov-2017
19	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.	Approved October 11, 2017 pending recordation	2/2/2017	Nov-2017
20	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.	Approved October 11, 2017 pending recordation	2/6/2017	Nov-2017
21	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.	Agenda November 15, 2017 (protest)	2/13/2017	Nov-2017
22	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)	agenda oct	3/13/2017	Nov-2017

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
23	DD	Reorganization No. 2017-04 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
24	AD	Annexation No. 2017-02 to the Newhall County Water District	Newhall County Water District	uninhabited territory, located west of the 5 freeway and north of the intersection of The Old Road and Calgrove Blvd.	Notice of Filing sent 06-21-17 Incomplete filing: property tax transfer resolution, CEQA, approved map and legal.	6/15/2017	Unknown
25	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	7/10/2017	Unknown
26	AD	Annexation 427 to District No. 22	Sanitation Districts	1.6 acres of uninhabited territory. Located on Mesarica Road approximately 400 feet northeast of Puente Street, all within unincorporated Los Angeles County.	Notice of Filing Sent 8-16-17 Incomplete filing: property tax transfer resolution.	08/10/17	Unknown
27	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1086	Sanitation Districts	1.3 acres of uninhabited territory. Located on Sierra Highway approximately 500 feet south of Fitch Avenue, all within unincorporated Los Angeles County	Notice of Filing Sent 09-20-17 Incomplete filing: property tax transfer resolution.	9/14/2017	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1079	Sanitation Districts	180.2 acres of uninhabited territory. Located on Lost Canyon Road approximately 1,000 feet west of Sand Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 10/12/17 Incomplete filing: property tax transfer resolution.	10/11/2017	Unknown
29	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1085	Sanitation Districts	0.22 acres of uninhabited territory. Located on Old Wiley Canyon Road approximately 200 feet south of Wabuska Street, all within the City of Santa Clarita.	Notice of Filing sent 10/12/17 Incomplete filing: property tax transfer resolution.	10/11/2017	Unknown
30	AD	Annexation 426 to District No. 14	Sanitation Districts	237.25 acres of uninhabited territory. Located on the northwest corner of 70th Street West and Avenue K, all within the City of Lancaster.	Notice of Filing Sent 11-8-17 Incomplete filing: property tax transfer resolution.	11/6/2017	Unknown
31	AD	Annexation 427 to District No. 14	Sanitation Districts	1.189 acres of uninhabited territory. The affected territory has 2 parcels. Parcel 1 is located on the southwest corner of 50th Street West and Avenue M-2. Parcel 2 is located on 50th Street West approximately 300 feet south of Avenue M-4, all within the unincorporated Los Angeles County.	Notice of Filing Sent 11-8-17 Incomplete filing: property tax transfer resolution.	11/6/2017	Unknown
32	dd	Reorganization No. 2017-10 to the Las Virgenes Municipal Water District	Robert Douglass	5.26 acres of uninhabited territory. The affected territory is generally located northeast of the intersection of Hovenweep Lane and Schueren Road, in the unincorporated area north of Malibu		11/8/2017	Unknown

Staff Report

November 15, 2017

Agenda Item No. 7.a.

Reorganization No. 2016-08 to the City of Bradbury, Amendments to the City of Bradbury, the City of Monrovia, and the Consolidated Fire Protection District Spheres of Influence (SOI), Detachment from the City Monrovia, and Annexation to the City of Bradbury and the Consolidated Fire Protection District

PROPOSAL SUMMARY:

Size of Affected Territory:	2.96± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	City of Bradbury
Resolution or Petition:	June 28, 2016
Application Filed with LAFCO:	October 25, 2016
Location:	The affected territory is located east of the intersection of Wild Rose Avenue and Deodar Lane.
City/County:	City of Monrovia
Affected Territory:	The affected territory consists of three existing single-family homes and a guard shack. The topography is flat.
Surrounding Territory:	Surrounding the territory is residential.
Landowner(s):	4 landowners.
Registered Voters:	2 registered voters as of June 28, 2016
Purpose/Background:	The City of Bradbury states that the reorganization is necessary because there are 4 assessor parcel numbers and one split assessor parcel number that currently reside within the City of Monrovia that should be in the boundaries of the City of Bradbury. There are three single-family homes in which access to the property is through the City of Bradbury and two parcels owned by Bradbury Estates Association that contain a guard shack and gate for residents of the City of Bradbury.

Jurisdictional and Related Jurisdictional Changes:	The jurisdictional and related jurisdictional changes as a result of this reorganization include Sphere of Influence (SOI) amendments to exclude from the City of Monrovia and include to the City of Bradbury and Consolidated Fire Protection District of Los Angeles County; Detachment from the City of Monrovia and Annexation to the City of Bradbury, Consolidated Fire Protection District of Los Angeles County, and County Public Library System.
Within SOI:	No, a concurrent sphere of influence amendment is being processed with this application for the City of Bradbury, City of Monrovia, and Consolidated Fire Protection District of Los Angeles County.
Waiver of Notice/Hearing/Protest:	No
CEQA Clearance:	The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a) because it consists of annexations to a city of areas containing existing public or private structures developed to the density allowed by current zoning. The proposal is also categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15320 because it does not change the geographical area in which previously existing powers are executed. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the proposal records. A Categorical Exemption was adopted by the City of Bradbury on August 16, 2016.
Additional Information:	None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 2 residents as of June 28, 2016. The population density is 1.48 persons per acre.

The estimated future population is 2 residents (no anticipated change).

The affected territory is 2.96+/- acres. The affected territory consists of three existing single-family homes and a guard shack. There are no proposed/future land use changes due to this proposal.

The assessed valuation is \$3,094,000 as of 2015/2016 tax roll.

The per capita assessed valuation is \$1,547,000.

On September 5, 2017, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries.

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

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

b. Governmental Services and Controls:

The affected territory includes three existing single-family homes and a guard shack which require organized governmental services.

The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of the proposed action and of alternative courses of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is minimal.

	Current Service Provider	Proposed Service Provider
Animal Control	County Animal Care and Control (under contract)	Same
Fire and Emergency Medical	City of Monrovia Fire Department	Consolidated Fire Protection District of Los Angeles County

Flood Control	County	Same
Library	City of Monrovia	County Library
Mosquito & Vector Control	San Gabriel Valley Mosquito and Vector Control District	Same
Park and Recreation	City of Monrovia	City of Bradbury
Planning	City of Monrovia	City of Bradbury
Police	City of Monrovia Police Department	Sheriff
Road Maintenance	City of Monrovia	City of Bradbury
Solid Waste	private hauler	private hauler
Street Lighting	City of Monrovia	City of Bradbury
Water	City of Monrovia	California American Water Co.
Wastewater	County Sanitation District No. 15 of Los Angeles County	Same

The County will continue to provide animal control and flood control services, the San Gabriel Valley Mosquito and Vector Control District will continue to provide mosquito and vector control services, and the County Sanitation District No. 15 of Los Angeles County will continue to provide wastewater services to the reorganization area.

Upon approval of the reorganization request, the City of Bradbury will provide park and recreation, planning, road maintenance, and street lighting, water services, as well as solid waste services directly or through contracts. The City will continue to provide adequate services and maintain current service levels. Enhanced service levels will be financed through city general fund revenues or developer fees.

Upon approval of the reorganization, the County will provide library services, the Consolidated Fire Protection District of Los Angeles County will provide fire and emergency medical services, and the Los Angeles County Sheriff Department will provide police services. The County and special districts will continue to provide adequate services and maintain current service levels.

c. *Proposed Action and Alternative Actions:*

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

The only alternative action is for the current City of Bradbury and City of Monrovia boundaries to remain the same. This would allow the Bradbury Estates community to remain split between the Cities of Bradbury and Monrovia. The effect of alternate actions on mutual social and economic interests and on the local governmental structure of the Cities of Bradbury and Monrovia is minimal.

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

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

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

e. *Agricultural Lands:*

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

f. *Boundaries:*

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

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

The proposal does not create islands or corridors of unincorporated territory

g. *Consistency with Regional Transportation Plan:*

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

h. *Consistency with Plans:*

The proposal is consistent with the existing City of Monrovia General Plan designation of Residential Low 5.8 du/ac.

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

Pursuant to the requirements of Government Code Section 56375(a)(7), Pre-Zoning Ordinance No. 344 was adopted by the City of Bradbury City Council on August 16, 2016. The pre-zoning designation of Agriculture Residential Estate Zoning District A-5 is consistent with the City of Bradbury General Plan.

i. *Sphere of Influence:*

A concurrent sphere of influence amendment is being processed with this application for the City of Bradbury, City of Monrovia, and Consolidated Fire Protection District of Los Angeles County.

j. *Comments from Public Agencies:*

The City of Monrovia and the City of Bradbury have executed an agreement whereby the City of Monrovia is agreeable to the proposed reorganization. Staff did not receive additional comments from any other public agencies or any resolutions raising objections from any affected agency.

k. *Ability to Provide Services:*

The City of Bradbury and Consolidated Fire Protection District of Los Angeles County currently provides municipal services to many parcels of land. The reorganization would add four more parcels and a portion of a fifth parcel to the service area. The city and special district indicated that they have the ability to provide service to the affected territory once the reorganization is complete.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery.

m. *Regional Housing:*

The proposed reorganization has no impact on the achievement of a fair share of regional housing needs of the City or County. The County and Cities have agreed to a Regional Housing Needs Assessment (RHNA) allocation transfer of 0 units from the County to the Cities.

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

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

o. *Land Use Designations*

The proposal is consistent with the existing City of Monrovia General Plan designation of Residential Low 5.8 du/ac.

The proposal is consistent with the existing City of Monrovia zoning designation of zoning designation of Residential Low 5.8 du/ac.

p. *Environmental Justice:*

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

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

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a) because it consists of annexations to a city of areas containing existing public or private structures developed to the density allowed by current zoning. The proposal is also categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15320 because it does not change the geographical area in which previously existing powers are executed. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records. A Categorical Exemption was adopted by the City of Bradbury on August 16, 2016.

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

1. Present and Planned Land Uses in the Area

The proposal is consistent with the existing City of Monrovia General Plan designation of Residential Low 5.8 du/ac. The affected territory consists of three existing single-family homes and a guard shack.

There are no proposed/future land use changes due to these sphere of influence amendments.

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

The City of Monrovia provides general government services to the affected territory.

The affected territory includes three single-family homes and one guard shack which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

3. Present Capacity of Public Facilities and Services:

The City of Bradbury and Consolidated Fire Protection District of Los Angeles County currently provides municipal services to many parcels of land. The sphere of influence amendment would add four more parcels and a portion of a fifth parcel to the probable service area. The city and district indicated that they have the ability to provide service to the affected territory once the reorganization is complete.

4. Social or Economic communities of interest

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

5. Disadvantaged Unincorporated Communities:

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

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

The Commission has on file written statement of the functions and classes of service of the Consolidate Fire Protection District of Los Angeles County and can establish the nature, location and extent of its classes of service and that it provides describe services within its boundary.

GOVERNMENT CODE 56430 (a):

Municipal Services Reviews (MSR) for the City of Bradbury, City of Monrovia, and Consolidated Fire Protection District of Los Angeles County were completed during the Commission's initial round of service reviews. Since this reorganization is not expected to impact the overall comprehensive services of the agencies, MSRs are not being required for the current sphere of influence amendments. At this time, the existing MSRs are considered sufficient to fulfill the requirements of GCS 56430.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of City of Bradbury which will be for the interest of landowners and/or present and/or future inhabitants within the City and within the reorganization territory.

RECOMMENDED ACTION:

1. Open the public hearing and receive testimony on the reorganization and SOI amendments;
2. There being no further testimony, close the public hearing;
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Reorganization No. 2016-08 to the City of Bradbury, Amendments to the City of Bradbury, the City of Monrovia, and Consolidated Fire Protection District Sphere of Influence (SOI), Detachment from the City Monrovia, and Annexation to the City of Bradbury and Consolidated Fire Protection District; and
4. Pursuant to Government Code Section 57002, set January 11, 2018, at 9:00 a.m. or the Commission's next available meeting date consistent with the protest provisions, in Room 381-B of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California, 90012, as the date and time for Commission protest proceedings.

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**RESOLUTION NO. 2017-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING
" REORGANIZATION NO. 2016-08 TO THE CITY OF BRADBURY, AMENDMENTS TO THE CITY OF
BRADBURY, THE CITY OF MONROVIA, AND THE CONSOLIDATED FIRE PROTECTION DISTRICT
SPHERES OF INFLUENCE (SOI), DETACHMENT FROM THE CITY MONROVIA, AND ANNEXATION
TO THE CITY OF BRADBURY AND CONSOLIDATED FIRE PROTECTION DISTRICT"**

WHEREAS, the City of Bradbury (City) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation and sphere of influence amendments of territory herein described to the City of Bradbury and Consolidated Fire Protection District of Los Angeles County, annexation of said territory to the County Public Library System, and detachment and sphere of influence amendment of said territory from the City of Monrovia, all currently within the City of Monrovia; and

WHEREAS, the proposed reorganization consists of approximately 2.96± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Reorganization No. 2016-08 to the City of Bradbury "; and

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

WHEREAS, the principal reason for the proposed reorganization is for access and ownership purposes; and

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

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to Government Code Sections 56150-56160, 56427, 57025, and 57026, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on October 16, 2017, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, on November 15, 2017, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral and written testimony, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for January 11, 2018 at 9:00 a.m. or the Commission's next available meeting date consistent with the protest provisions, at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Reorganization No. 2016-08 to the City of Bradbury, finds that this proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a) because it

consists of annexations to a city of areas containing existing public or private structures developed to the density allowed by current zoning. The proposal is also categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15320 because it does not change the geographical area in which previously existing powers are executed. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

2. The Commission hereby amends the Sphere of Influence of the City of Bradbury, City of Monrovia, and Consolidated Fire Protection District of Los Angeles County as to exclude the subject territory described in Exhibit "A" and "B" from The City of Monrovia, and include the subject territory described in Exhibit "A" and "B" within the City of Bradbury and the Consolidated Fire Protection District and makes the following determinations in accordance with Government Code Section 56425:

- a. Present and Planned Land Uses in the Area

The proposal is consistent with the existing City of Monrovia General Plan designation of Residential Low 5.8 du/ac. The affected territory consists of three existing single-family homes and a guard shack.

There are no proposed/future land use changes due to these sphere of influence amendments.

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

The City of Monrovia provides general government services to the affected territory.

The affected territory includes three single-family homes and one guard shack which requires organized governmental services. The affected territory will require governmental facilities and services indefinitely.

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

The City of Bradbury and Consolidated Fire Protection District of Los Angeles County currently provides municipal services to many parcels of land. The reorganization would add four more parcels and a portion of a fifth parcel to the service area. The city and district indicated that they have the ability to provide service to the affected territory once the reorganization is complete.

d. Existence of Any Social or Economic Communities of Interest

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

e. Disadvantaged Unincorporated Communities

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

f. Determination of the Services of the Existing District

The Commission has on file, a written statement of the functions and classes of service of the Consolidated Fire Protection District of Los Angeles County and can

establish the nature, location and extent of its classes of service and that it provides water service within its boundary.

3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of 2.96± acres, is uninhabited, and is assigned the following short form designation: "Reorganization No. 2016-08 to the City of Bradbury".
5. Reorganization No. 2016-08 to the City of Bradbury is hereby approved, subject to the following terms and conditions:
 - a. The City of Bradbury agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the reorganization shall be the date of recordation.
 - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
 - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the City and/or District.
 - e. The regular County assessment roll shall be utilized by the City and/or District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the City and/or District.

- g. Annexation of the affected territory described in Exhibits "A" and "B" to the City of Bradbury, Consolidated Fire Protection District, and County Library System.
- h. Detachment of the affected territory from the City of Monrovia.
- i. Upon the effective date of the reorganization, all right, title, and interest of the City of Monrovia, including but not limited to, the underlying fee title or easement where owned by the City of Monrovia, in any and all sidewalks, trails, landscaped areas, street lights, property acquired and held for future road purposes, open space, signals, storm drains, storm drain catch basins, local sanitary sewer lines, sewer pump stations and force mains, water quality treatment basins and/or structures, and water quality treatment systems serving roadways and bridges shall vest in the City of Bradbury.
- j. Upon the effective date of the reorganization, the City of Bradbury shall be the owner of, and responsible for, the operation, maintenance, and repair of all of the following property owned by the City of Monrovia: public roads, adjacent slopes appurtenant to the roads, street lights, traffic signals, mitigation sites that have not been accepted by regulatory agencies but exist or are located in public right-of-way and were constructed or installed as part of a road construction project within the annexed area, storm drains and storm drain catch basins within street right-of-way and appurtenant slopes, medians and adjacent property.
- k. Upon the effective date of the reorganization, the City of Bradbury shall do the following: (1) assume ownership and maintenance responsibilities for all

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

- I. Except to the extent in conflict with "a" through "k", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section

57325) shall apply to this reorganization.

6. Pursuant to Government Code Section 57002, the Commission hereby sets the protest hearing for January 10, 2018 at 9:00 a.m. or the Commission's next available meeting date consistent with the protest provisions, in Room 381-B of the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California, 90012, and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
7. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code Section 56882.

PASSED AND ADOPTED this 15th day of November 2017.

MOTION:

SECOND:

AYES:

NOES:

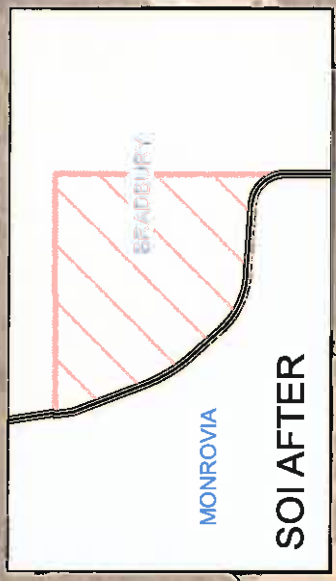
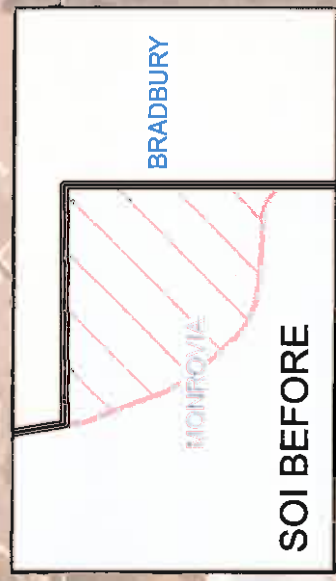
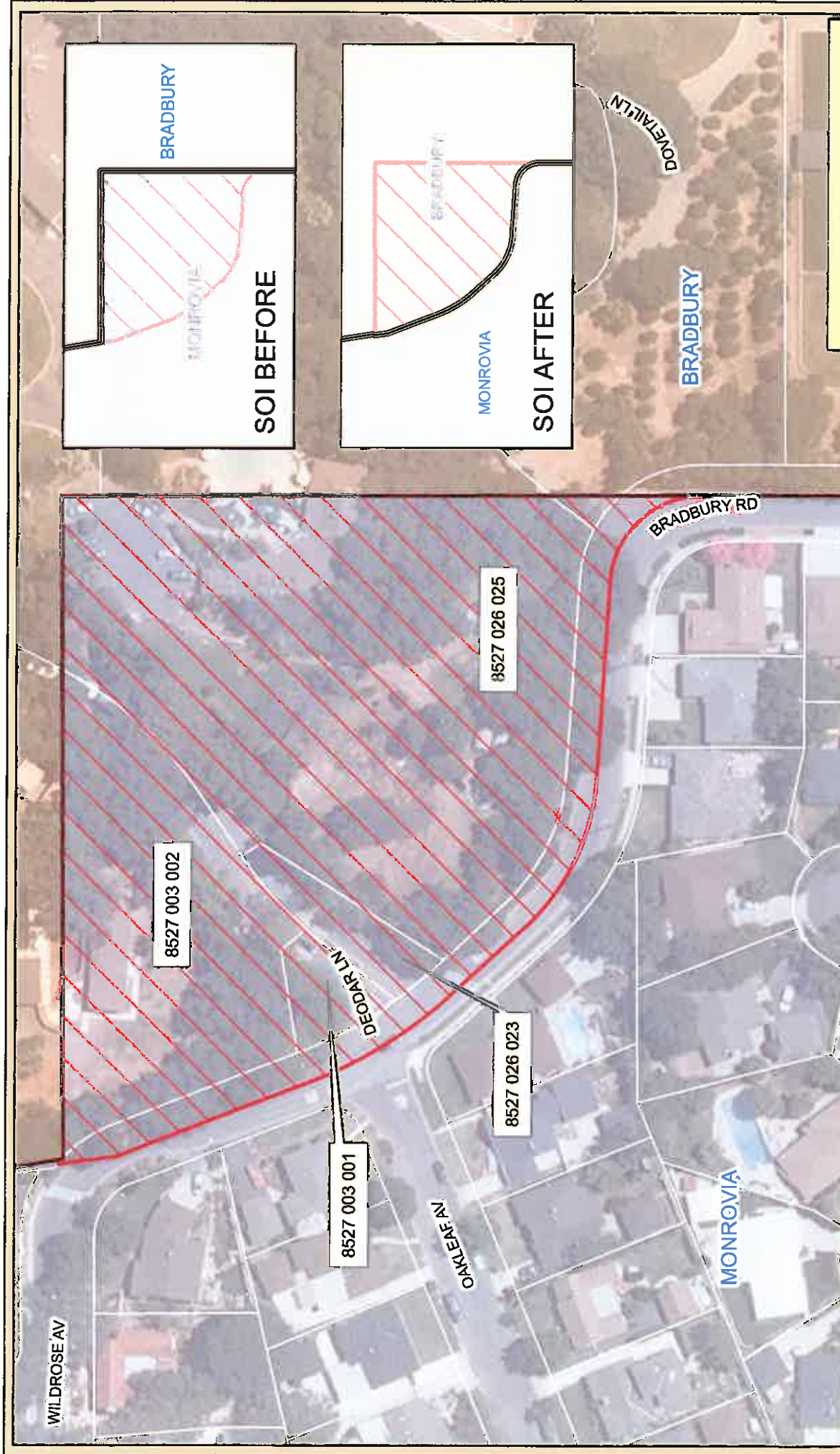
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0





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

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



Reorganization No. 2016-08 to the City of Bradbury includes SOI Amendment (Detachment from Monrovia Annexation to Bradbury)

Legend

-  Reorg 2016-08 Bradbury
-  City of Bradbury
-  City of Monrovia
-  Covina Sphere of Influence (SOI)



November 15, 2017

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Staff Report

November 15, 2017

Agenda Item No. 8.a.

Protest Hearing on Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena)

On September 13, 2017, your Commission approved a request for the annexation of approximately 14,800± acres of inhabited territory into the boundaries of the San Gabriel Valley Mosquito and Vector Control District. The Protest Hearing before you today will satisfy the requirements of Government Code Section 57000, *et seq.*

The number of written protests received and not withdrawn is 0.

PROPOSAL SUMMARY:

Size of Affected Territory:	14,800± acres
Inhabited/Uninhabited:	Inhabited
Applicant:	San Gabriel Valley Mosquito and Vector Control District ("District")
Resolution or Petition:	October 14, 2016
Application Filed with LAFCO:	January 25, 2017
Location:	The affected territory is the entire City of Pasadena, which is surrounded by the cities of Arcadia, Glendale, La Cañada Flintridge, Los Angeles, San Marino, Sierra Madre, South Pasadena, and unincorporated county.
City/County:	Entire City of Pasadena
Affected Territory:	The affected territory is the entire City of Pasadena and consists of residential, commercial, industrial, and vacant land. The Arroyo Seco flood plain runs along the west side of the City. The topography is generally flat with some rolling hills.
Surrounding Territory:	The cities of Arcadia, Glendale, La Cañada Flintridge, Los Angeles, San Marino, Sierra Madre, South Pasadena, and unincorporated county surround the affected territory.

Landowners:	There are multiple owners of record.
Registered Voters:	76,248 registered voters as of October 25, 2016 as per the applicant.
Purpose/Background:	The purpose of this annexation is for the entire City of Pasadena to receive vector control services that will include disease surveillance, monitoring and control of vectors, and public education.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes
Waiver of Notice/Hearing/Protest:	No
CEQA Clearance:	The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 because it consists of a change in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. A Categorical Exemption was adopted by San Gabriel Valley Mosquito and Vector Control District, as lead agency, on January 12, 2017.
Additional Information:	None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 142,250 residents as of October 14, 2016. The population density is .10 persons per acre.

The estimated future population is 142,250 residents (no anticipated change).

The affected territory is 14,800+/- acres. The affected territory is the entire City of Pasadena and consists of residential, commercial, industrial, open space, and vacant land. There are no proposed/future land use changes due to this proposal.

The assessed valuation is \$14,981,751,948 from the 2016-2017 tax roll.

The per capita assessed valuation is \$105,319.

On August 15, 2017, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is generally flat with some rolling hills.

The Arroyo Seco flood plain runs along the west side of the city.

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

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

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

b. Governmental Services and Controls:

The affected territory includes the entire City of Pasadena, which requires organized governmental services.

The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of an alternative course of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is for the city to not receive vector control services, leading to increased risk of vector-borne disease, which could adversely impact property values and quality of life.

c. Proposed Action and Alternative Actions:

The proposed action will benefit adjacent areas, all of which are located within vector control districts, by providing seamless vector control prevention and protection. The proposed

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

The only alternate action is for the City of Pasadena to provide its own vector control services. The effect of alternate actions on mutual social and economic interests and on the local governmental structure of the County is minimal.

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

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

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

e. Agricultural Lands:

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

f. Boundaries:

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

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

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

The annexation consists of territory contiguous to the District's boundaries.

g. Consistency with Regional Transportation Plan:

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

h. Consistency with Plans:

The proposal is consistent with existing City of Pasadena General Plan designations.

The proposal is consistent with the existing Specific Plan designations.

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

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the San Gabriel Valley Mosquito and Vector Control District.

j. *Comments from Public Agencies:*

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

k. *Ability to Provide Services:*

The District currently provides vector control service to over 165,760 acres of land throughout Los Angeles County. The annexation would add 14,800± acres to the service area. The District indicated that it has the ability to provide vector control services to the affected territory once the annexation is complete.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery.

m. *Regional Housing:*

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

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

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

o. *Land Use Designations*

The proposal is consistent with existing City of Pasadena General Plan designations.

The proposal is consistent with the existing City of Pasadena zoning designations.

p. *Environmental Justice:*

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

There are three (3) Disadvantaged Unincorporated Communities (DUCs) adjacent to the affected territory to the north. All 3 areas are currently within the San Gabriel Valley Mosquito and Vector Control District and are being served by the District.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15320 because it consists of a change in the organization or reorganization of

local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the San Gabriel Valley Mosquito and Vector Control District which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

RECOMMENDED ACTION:

1. Open the protest hearing and receive written protests;
2. Close the protest hearing;
3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of written protests filed and not withdrawn and report back to the Commission with the results; and
4. Based upon the results of the protest hearing, adopt a resolution either terminating the annexation proceedings if a majority protest exists pursuant to Government Code Section 57078, ordering Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena) directly, or ordering the annexation subject to confirmation by the registered voters of the affected territory.

**RESOLUTION NO. 2017-00PR
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ORDERING
" ANNEXATION NO. 2016-34 TO THE SAN GABRIEL VALLEY MOSQUITO AND
VECTOR CONTROL DISTRICT (ENTIRE CITY OF PASADENA)"**

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

WHEREAS, the proposed annexation consists of approximately 14,800± acres of inhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena); and

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

WHEREAS, the principal reason for the proposed annexation is for the District to provide vector control services to the entire City of Pasadena; and

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

WHEREAS, on September 13, 2017, the Commission approved Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena); and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for November 15, 2017 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, the Executive Officer has given notice of the protest hearing pursuant to Government Code Sections 56150-56160, 56660-56661, 57025, and 57026, wherein the protest hearing notice was published in a newspaper of general circulation in the County of Los Angeles on October 16, 2017, which is at least 21 days prior to the protest hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, at the time and place fixed in the notice, the hearing was held, and any and all oral or written protests, objections, and evidence were received and considered; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of tabulating the value of protests filed and not withdrawn and either terminating these proceedings if a majority protest exists or ordering the annexation directly or subject to confirmation by the registered voters.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that the number of property owners is 38,342 and the number of registered voters is 76,248, and the total assessed value of land within the affected territory is \$14,981,751,948.
 - a) The Commission finds that the number of property owners who filed written protests in opposition to Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector

Control District (Entire City of Pasadena) and not withdrawn is ____, which, even if valid, represents less than 25 percent of the number of owners of land who own at least 25 percent of the assessed value of land within the affected territory; and

b) The Commission finds that the number of registered voters who filed written protests in opposition to Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena) and not withdrawn is ____, which, even if valid, represents less than 25 percent of the number of registered voters residing within boundaries of the affected territory.

3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of 14,800± acres, is inhabited, and is assigned the following short form designation: "Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena)".
5. Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena) is hereby approved, subject to the following terms and conditions:
 - a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.

- b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar- Recorder/County Clerk and State Board of Equalization fees.
 - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
 - e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
 - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
6. The Commission hereby orders the inhabited territory described in Exhibits "A" and "B" annexed to District.
7. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

PASSED AND ADOPTED this 15th day of November 2017.

MOTION:

SECOND:

AYES:

NOES:

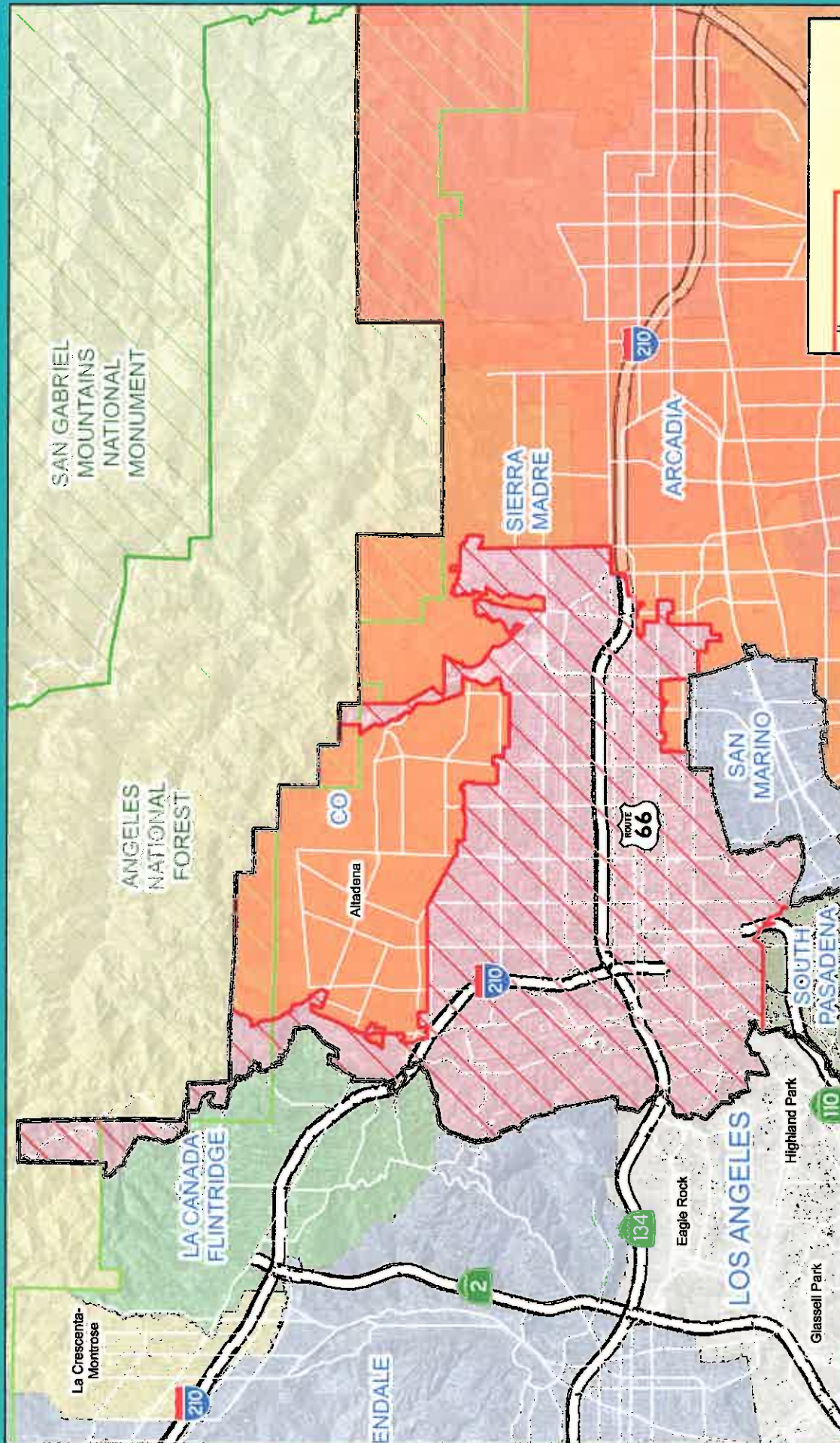
ABSTAIN:

ABSENT:

MOTION PASSES:

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

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



Legend

-  Annexation No. 2016-34
-  San Gabriel Valley Mosquito VCD Sphere of Influence
-  Angeles National Forest
-  San Gabriel Valley Mosquito VCD
-  City of Pasadena

Annexation No. 2016-34 to the San Gabriel Valley Mosquito and Vector Control District (Entire City of Pasadena)



LAFCO
LOS ANGELES AREA
FLOOD CONTROL DISTRICT



November 15, 2017

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Staff Report

November 15, 2017

Agenda Item No. 8.b.

Protest Hearing on Annexation No. 2017-03 to the Antelope Valley Cemetery District

On October 11, 2017, your Commission approved a request for the annexation of approximately number 420,967± acres of inhabited territory into the boundaries of the Antelope Valley Cemetery District. The Protest Hearing before you today will satisfy the requirements of Government Code Section 57000, et seq.

The number of written protests received and not withdrawn is 0.

PROPOSAL SUMMARY:

Size of Affected Territory:	420,967± acres (657.76± square miles)
Inhabited/Uninhabited:	Inhabited
Applicant:	Antelope Valley Cemetery District (District)
Resolution or Petition:	March 8, 2017
Application Filed with LAFCO:	March 13, 2017
Location:	Parcel 1 is located in and surrounding the City of Palmdale and Parcel 2 is located around the unincorporated area of Gorman.
City/County:	City of Palmdale and Los Angeles County unincorporated territory (Antelope Valley, Acton, and portions of Agua Dulce).
Affected Territory:	Both Parcels consist of residential, commercial, industrial, and vacant land. The topography is generally flat with some mountains.
Surrounding Territory:	The City of Lancaster, unincorporated territory, and the Angeles National Forest surround the affected territory.
Landowner(s):	There are multiple owners of record.
Registered Voters:	301,679 registered voters as of 2013 as per the applicant.

Purpose/Background:	To expand the District boundary to include the entire Antelope Valley, Acton, and portions of Agua Dulce. The District provides burial services at reduced rates for residents within the District boundary.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes
Waiver of Notice/Hearing/Protest:	No
CEQA Clearance:	The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 because it consists of a change in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised.
Additional Information:	On May 10, 2017, the Commission amended the Sphere of Influence (SOI) for the District, thereby adding significant new territory to the District's existing SOI. The affected territory in this annexation comprises the same geographical area as the amended SOI adopted by the Commission.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is approximately 183,000 residents as of 2010 (census). The population density is 2.3 persons per acre.

The estimated future population is 183,000 residents (no anticipated change).

The affected territory is 420,967± acres. Parcels 1 & 2 consist of residential, commercial, industrial, and vacant land. There are no proposed/future land use changes due to this proposal.

The assessed valuation is estimated to be over \$9.4 billion dollars from the 2016/2017 tax roll.

The per capita assessed valuation is \$51,366.

On September 19, 2017, the County adopted a negotiated tax exchange resolution for the County of Los Angeles. On October 3, 2017, the County adopted a negotiated tax exchange resolution behalf of the Antelope Valley Resource Conservation District, the Los Angeles County Sanitation District No. 14 of Los Angeles County, and Los Angeles County Sanitation District No. 20 of Los Angeles County pursuant to Revenue and Taxation Code 99.01(a)(4), which authorizes a county to act on behalf of a special district to determine the exchange of property tax if the special district involved fails to adopt a tax transfer resolution. All other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is generally flat with some mountains.

The affected territory is generally bounded by the Angeles Forest to the south.

The affected territory includes one drainage basin located in the City of Palmdale just east of the intersection of 47th Street East and Fort Tejon Road.

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

The affected territory is likely to experience modest growth in the next ten years.

The adjacent areas are likely to experience modest growth in the next ten years.

b. Governmental Services and Controls:

The affected territory includes the remaining portion of the Antelope Valley not currently within the District, Acton, and portions of Agua Dulce which require organized

governmental services. The affected territory also includes portions of the Angeles National Forest.

The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of the proposed action and of alternative courses of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is for the residents continue to pay out of agency rates for burial services from the district.

c. *Proposed Action and Alternative Actions:*

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

The effect of alternate actions on mutual social and economic interests and on the local governmental structure of the County is minimal.

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

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

There is prime agricultural land located within Parcels 1 & 2. No development is proposed within any prime agricultural land as a result of the proposed annexation.

e. *Agricultural Lands:*

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

f. *Boundaries:*

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

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

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

g. *Consistency with Regional Transportation Plan:*

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

h. Consistency with Plans:

The proposal is consistent with the existing City of Palmdale and County General Plan designations.

The proposal is consistent with all 13 existing City of Palmdale and 6 County Specific Plan (Community Services District) designations.

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

i. Sphere of Influence:

The affected territory is within the Sphere of Influence of the Antelope Valley Cemetery District, as amended by the Commission on May 10, 2017.

j. Comments from Public Agencies:

Staff received comments from the City of Santa Clarita concerning the proposed annexation boundary in unincorporated Agua Dulce. Following a meeting with representatives of the City of Santa Clarita, Antelope Valley Cemetery District, and LAFCO, the southernmost boundary of the proposed annexation was modified in a manner acceptable to all parties.

Staff received comments from the City of Palmdale concerning the potential fiscal impact upon the City of Palmdale. Palmdale staff later communicated that its concerns had been resolved through consultation with representatives of the County's Chief Executive Office and LAFCO.

Other than the City of Santa Clarita and Palmdale, staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. Ability to Provide Services:

The affected territory is already being served by the Antelope Valley Cemetery District utilizing out of district service rates for burial services.

l. Timely Availability of Water Supplies:

The proposed annexation will have no impact upon water supply or delivery.

m. Regional Housing:

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations:

The proposal is consistent with the existing City of Palmdale and County General Plan designations.

The proposal is consistent with the existing City of Palmdale and County zoning designations.

p. Environmental Justice:

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

There are Disadvantaged Unincorporated Communities (DUCs) within and adjacent to Parcel 1 of the affected territory. Once the annexation is completed all DUCs within the Antelope Valley will be covered by cemetery district services and any adjacent DUC will still be able to utilize burial services at an out of district rate.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

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

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Antelope Valley Cemetery District which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

RECOMMENDED ACTION:

1. Open the protest hearing and receive written protests;
2. Close the protest hearing;
3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of written protests filed and not withdrawn and report back to the Commission with the results; and

4. Based upon the results of the protest hearing, adopt a resolution either terminating the annexation proceedings if a majority protest exists pursuant to Government Code Section 57078, ordering Annexation No. 2017-03 to the Antelope Valley Cemetery District directly, or ordering the annexation subject to confirmation by the registered voters of the affected territory.

**RESOLUTION NO. 2017-00PR
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ORDERING
"ANNEXATION NO. 2017-03 TO THE ANTELOPE VALLEY CEMETERY DISTRICT"**

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

WHEREAS, the proposed annexation consists of approximately 420,967± acres of inhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2017-03 to the Antelope Valley Cemetery District"; and

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

Whereas, the principal reason for the proposed annexation is for the District to provide burial services to the entire Antelope Valley at reduced rates; and

WHEREAS, on October 11, 2017, the Commission approved Annexation No. 2017-03 to the Antelope Valley Cemetery District; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for November 15, 2017 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, the Executive Officer has given notice of the protest hearing pursuant to Government Code Sections 56150-56160, 56660-56661, 57025, and 57026, wherein the protest hearing notice was published in a newspaper of general circulation in the County of Los Angeles on October 16, 2017, which is at least 21 days prior to the protest hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, at the time and place fixed in the notice, the hearing was held, and any and all oral or written protests, objections, and evidence were received and considered; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of tabulating the value of protests filed and not withdrawn and either terminating these proceedings if a majority protest exists or ordering the annexation directly or subject to confirmation by the registered voters.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that the number of property owners is 80,898, and the number of registered voters is 301,679, and the total assessed value of land within the affected territory is estimated to be over \$9.4 billion dollars.
 - a) The Commission finds that the number of property owners who filed written protests in opposition to Annexation No. 2017-03 to the Antelope Valley Cemetery District and not withdrawn is ____, which, even if valid, represents less than 25 percent of the number of owners of land who own at least 25 percent of the assessed value of land within the affected territory; and

- b) The Commission finds that the number of registered voters who filed written protests in opposition to Annexation No. 2017-03 to the Antelope Valley Cemetery District and not withdrawn is ____, which, even if valid, represents less than 25 percent of the number of registered voters residing within boundaries of the affected territory.
3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of 420,967± acres, is inhabited, and is assigned the following short form designation: "Annexation No. 2017-03 to the Antelope Valley Cemetery District "
5. Annexation No. 2017-03 to the Antelope Valley Cemetery District is hereby approved, subject to the following terms and conditions:
- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar- Recorder/County Clerk and State Board of Equalization fees.
 - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.

- e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the Antelope Valley Cemetery District.
 - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
6. The Commission hereby orders the inhabited territory described in Exhibits "A" and "B" annexed to the Antelope Valley Cemetery District.
7. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

PASSED AND ADOPTED this 11th day of November 2017.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

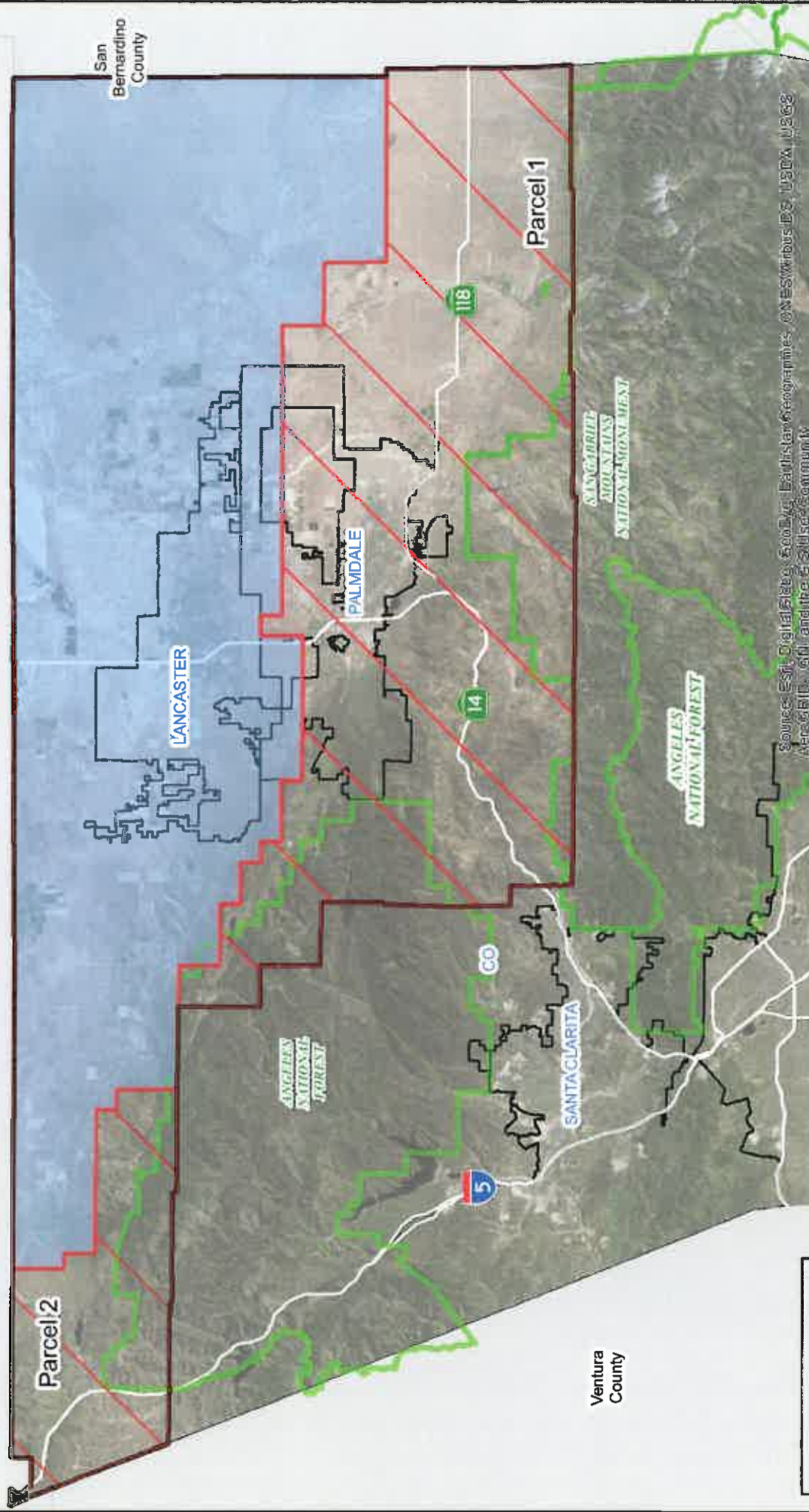
ABSENT:

MOTION PASSES: 0/0/0

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

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

Kern County



San Bernardino County

Parcel 1

Parcel 2

Ventura County

Legend

- Annexation 2017-03
- City of Lancaster
- City of Palmdale
- Antelope Valley Cemetery District
- Antelope Valley Cemetery District
- Source of Information

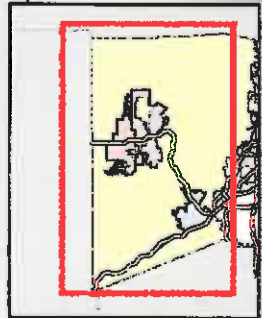
Annexation 2017-03 to the Antelope Valley Cemetery District

1 in = 7.1 miles



LAFCO
Local Agency Formation Commission
Antelope Valley

2017-03-01



Staff Report

November 15, 2017

Agenda Item No. 8.c.

Protest Hearing on Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County

On October 11, 2017, your Commission approved a request for the annexation of approximately 236.34 ± acres of uninhabited territory into the boundaries of Santa Clarita Valley Sanitation District of Los Angeles County. The Protest Hearing before you today will satisfy the requirements of Government Code Section 57000, *et seq.*

The number of written protests received and not withdrawn is 0.

PROPOSAL SUMMARY:

Size of Affected Territory:	236.34± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Santa Clarita Valley Sanitation District of Los Angeles County
Resolution or Petition:	February 3, 2017
Application Filed with LAFCO:	February 13, 2017
Location:	The affected territory is located on The Old Road immediately west of Interstate 5, approximately 2,500 feet south of Pico Canyon Road.
City/County:	Los Angeles County unincorporated territory (Santa Clarita)
Affected Territory:	The affected territory is vacant land. The territory will be developed into 93 condominiums, 92 single-family homes, and one fire station. The topography is flat, hillside with a canyon running northeast through the subject area.
Surrounding Territory:	Surrounding territory is vacant to the south and west, and residential to the north and east. The City of Santa Clarita is east of the affected territory.

Landowner(s):	There are 5 landowners.
Registered Voters:	0 registered voters as of February 1, 2016.
Purpose/Background:	For the district to provide off-site sewage disposal service.
Related Jurisdictional Changes: Within SOI:	There are no related jurisdictional changes. Yes
Waiver of Notice/Hearing/Protest:	No
CEQA Clearance:	The California Environmental Quality Act (CEQA) clearance is an Environmental Impact Report certified by the County of Los Angeles Department of Regional Planning, as lead agency, on August 25, 2009.
Additional Information:	None

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 0 residents as of February 1, 2016.

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

The estimated future population is 465 residents.

The affected territory is 236.34+/- acres. The territory will be developed into 93 condominiums, 92 single-family homes, and one fire station.

The assessed valuation is \$9,985,963 as of February 8, 2017.

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

On May 30, 2017, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat, hillside with a canyon running northeast through the subject area.

There are no natural boundaries.

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

Surrounding territory is vacant to the south and west, and residential to the north and east. The City of Santa Clarita is east of the affected territory.

The affected territory is likely to experience modest growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

b. Governmental Services and Controls:

The affected territory will be developed into 93 condominiums, 92 single-family homes, and one fire station which will require organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, there is no other sewer service alternative. The Los Angeles County Department of Public Health prohibits the installation, alteration, or repair of any on-site wastewater treatment systems for any building for which connection to a public sewer system is available within 200 feet. Due to the proposed land uses within the annexation area and its proximity

to existing sewer infrastructure, public sewer service is the only viable alternative for development to occur. The cost of sewage disposal by the District is generally minimal since it is relatively close to an existing public sewer system. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

c. *Proposed Action and Alternative Actions:*

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

There is no alternative to public sewage disposal. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

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

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

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

e. *Agricultural Lands:*

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

f. *Boundaries:*

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

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

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

g. *Consistency with Regional Transportation Plan:*

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

h. Consistency with Plans:

The proposal is consistent with the existing County General Plan designation of Non-Urban, Hillside Management Significant Ecological Area -SEA.

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

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

i. Sphere of Influence:

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

j. Comments from Public Agencies:

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

k. Ability to Provide Services:

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

l. Timely Availability of Water Supplies:

The annexation area is not within the boundaries of any water purveyor. The project proponents are currently evaluating which public water purveyor would best serve the affected area.

m. Regional Housing:

This proposal will assist the County's ability to achieve its fair share of regional housing needs since the annexation is being developed with multi-family and single-family homes.

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations

The proposal is consistent with the existing County General Plan designation of Non-Urban, Hillside Management Significant Ecological Area -SEA.

The proposal is consistent with the existing County zoning designation of Unlimited Commercial – Development Program (C-3-DP).

p. Environmental Justice:

The original owners of real property within the affected territory had requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas

did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

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

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The CEQA clearance is an Environmental Impact Report certified by the County of Los Angeles Department of Regional Planning, as lead agency, on August 25, 2009. The Commission is a responsible agency pursuant to CEQA and State CEQA Guidelines Section 15096.

CONCLUSION:

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

RECOMMENDED ACTION:

1. Open the protest hearing and receive written protests;
2. Close the protest hearing;
3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of written protests filed and not withdrawn and report back to the Commission with the results; and
4. Based upon the results of the protest hearing, either adopt a resolution terminating the annexation proceedings if a majority protest exists pursuant to Government Code Section 57078, or ordering Annexation No. 1084 to Santa Clarita Valley Sanitation District of Los Angeles County if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

**RESOLUTION NO. 2017-00PR
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ORDERING
"ANNEXATION NO. 1084 TO THE SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY"**

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

WHEREAS, the proposed annexation consists of approximately 236.34± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County"; and

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

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal for 93 proposed condominiums, 92 proposed single-family homes, and one proposed fire station; and

WHEREAS, on October 11, 2017, the Commission approved Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for November 15, 2017 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, the Executive Officer has given notice of the protest hearing pursuant to Government Code Sections 56150-56160, 56660-56661, 57025, and 57026, wherein the protest hearing notice was published in a newspaper of general circulation in the County of Los Angeles on October 20, 2017, which is at least 21 days prior to the protest hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, at the time and place fixed in the notice, the hearing was held, and any and all oral or written protests, objections, and evidence were received and considered; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of tabulating the value of protests filed and not withdrawn and either terminating these proceeding if a majority protest exists or ordering the annexation directly; and the Commission has received a report and recommendations on adoption of a conforming resolution from its Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that the number of property owners is 5, and the total assessed value of land within the affected territory is \$9,985,963.

2. The Commission finds that the number of written protests filed in opposition to Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County and not withdrawn is ____, which, even if valid, represents owners of land who own less than 50 percent of the assessed value of land within the affected territory.
3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of 236.34± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County"
5. Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County is hereby approved, subject to the following terms and conditions:
 - a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar- Recorder/County Clerk and State Board of Equalization fees.

- d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
 - e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
 - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Santa Clarita Valley Sanitation District of Los Angeles County.
7. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

Resolution No. 2017-00PR

Page 5

PASSED AND ADOPTED this 15th day of November 2017.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

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

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



Annexation No. 1084 to the Santa Clarita Valley Sanitation District of Los Angeles County

Legend

- CSD Annexation SCV-1084
- City of Santa Clarita
- Santa Clarita Valley Sanitation District of Los Angeles County
- Sphere of Influence, CSD SCV



LAFCO
 Local Agency Formation Commission
 for the County of Los Angeles

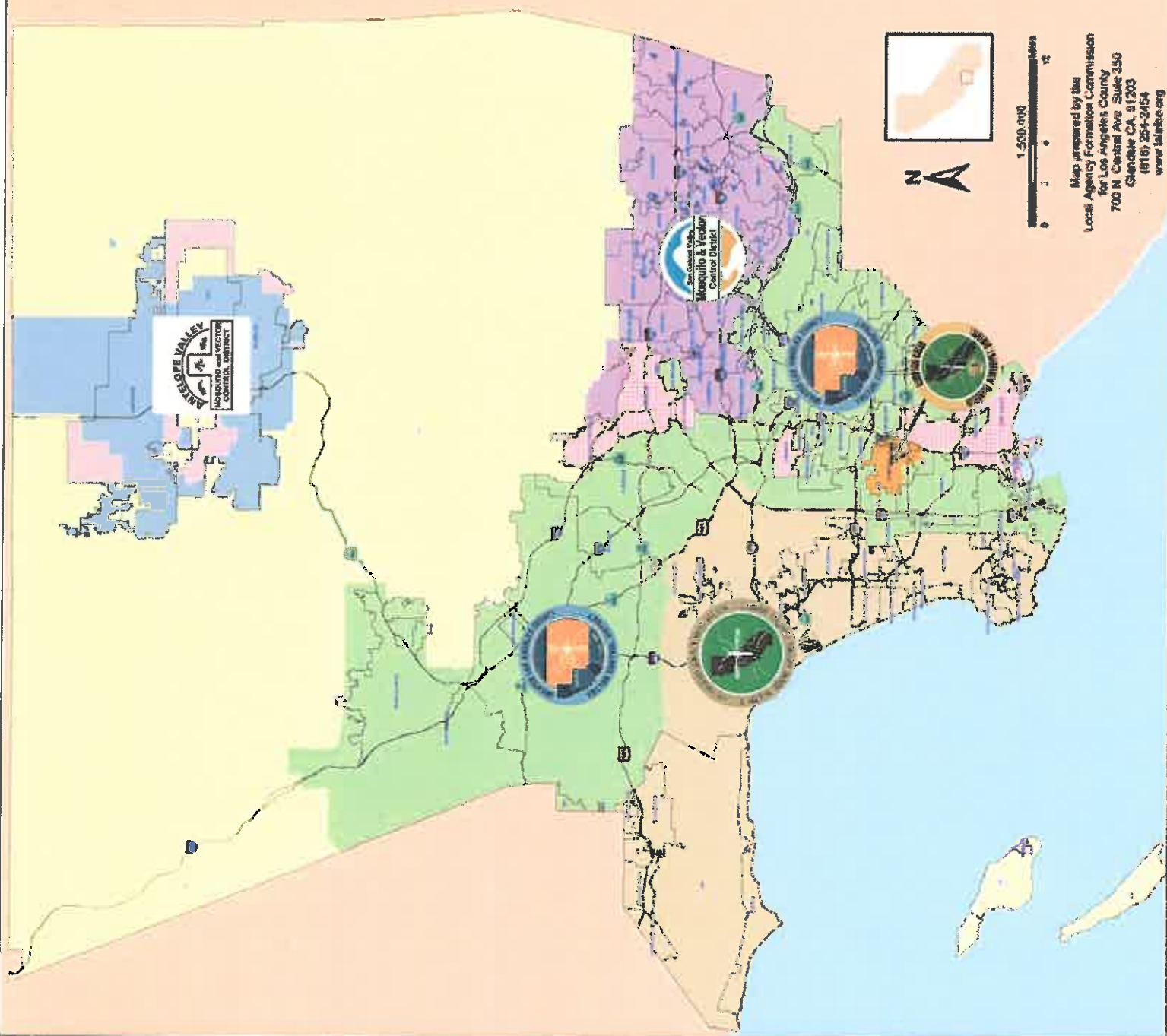
November 15, 2017





LOS ANGELES COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT OVERVIEW 2017

- Independent Special Districts formed under, and governed by the California Health and Safety Code Sections 2000-2093
- Districts are not governed by the County
- Governed by Boards of Trustees
- One City Council appointed representative from each city
- Appointee(s) from County at large
- Each represents the entire population of their district
- Major Funding Sources:
 - Property Tax (Ad Valorem)
 - Benefit Assessment
- Minor Funding Sources:
 - Reimbursements
 - Federal/State Grants
 - Contracts



SAN JOAQUIN HILLS
MOSQUITO and VECTOR
CONTROL DISTRICT

SAN GABRIEL VALLEY
MOSQUITO & VECTOR
CONTROL DISTRICT

Map prepared by the
Local Agency Formation Commission
for Los Angeles County
700 N. Central Ave. Suite 350
Glendale CA 91203
(818) 254-2454
www.lafco.org

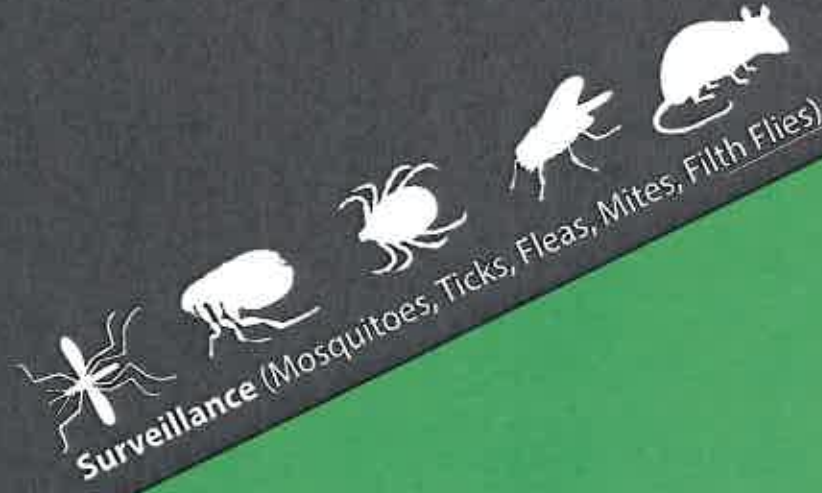
What is a VECTOR?

"A **vector** is any insect or other arthropod, rodent or other animal of public health significance capable of harboring or transmitting the causative agents of human disease, or capable of causing human discomfort or injury."

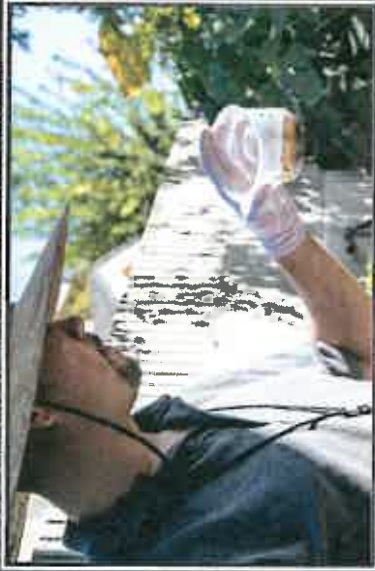
What is a VECTOR?



INTEGRATED VECTOR MANAGEMENT (IVM)



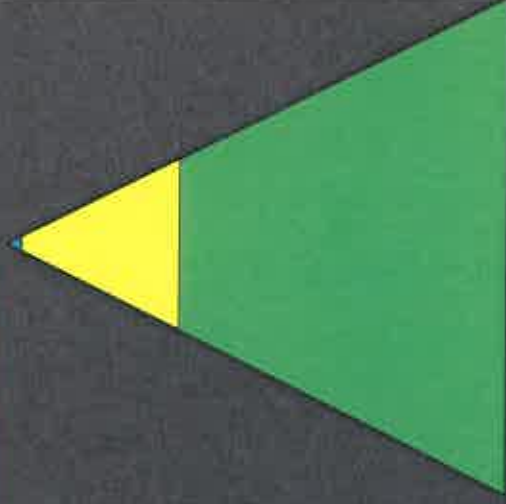
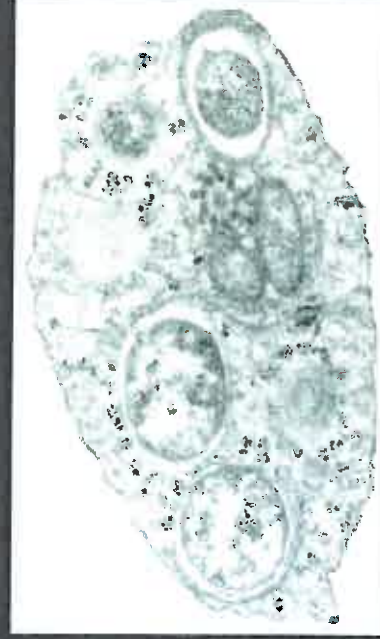
Source Reduction



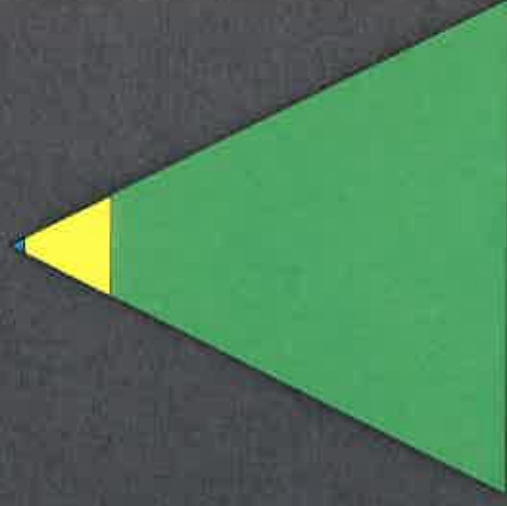
Education and Outreach



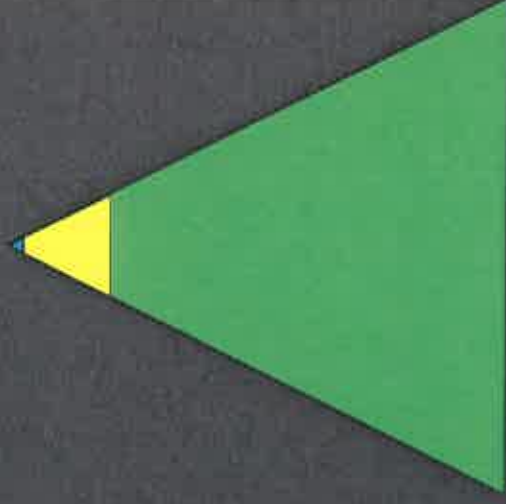
Biological Control



Chemical Control - Immature Stages



Chemical Control - Adult Stage



	Greater Los Angeles County Vector Control District Population: 6.8 million	Los Angeles West Vector Control District Population: 4.8 million	San Gabriel Valley Mosquito and Vector Control District Population: 1.45 million	Antelope Valley Mosquito and Vector Control District Population: 400,000	Compton Creek Mosquito Abatement District Population: 130,000
Services Provided	Mosquito Midge Black Fly	Mosquito Midge Black Fly Bees & Stinging Insects Red Imported Fire Ants Ticks	Mosquito Midge Black Fly Fleas	Mosquito	Mosquito
Surveillance	Sentinel Chickens CO2 Traps Gravid Traps Aedes Traps	Sentinel Chickens CO2 Traps Gravid Traps Aedes Traps	Sentinel Chickens CO2 Traps Gravid Traps Aedes Traps	New Jersey Light Traps Gravid Traps CO2 Traps Aedes Traps	CO2 Trap
Control	Physical Wolbachia Larvicide Adulticide	Physical Biological Larvicide Adulticide (only if needed)	Physical Wolbachia Larvicide Adulticide	Physical Larvicide Adulticide	Physical Larvicide Adulticide
Outreach & Education	Traditional Media Digital Media Youth Education Community Outreach	Traditional Media Digital Media Youth Education Community Outreach	Traditional Media Digital Media Youth Education Community Outreach	Traditional Media Digital Media Youth Education Community Outreach	Traditional Media Digital Media Youth Education Community Outreach

Mosquitoes



Southern House & Western
Encephalitis Mosquitoes

- West Nile virus
- St. Louis Encephalitis

Asian Tiger & Yellow
Fever Mosquitoes

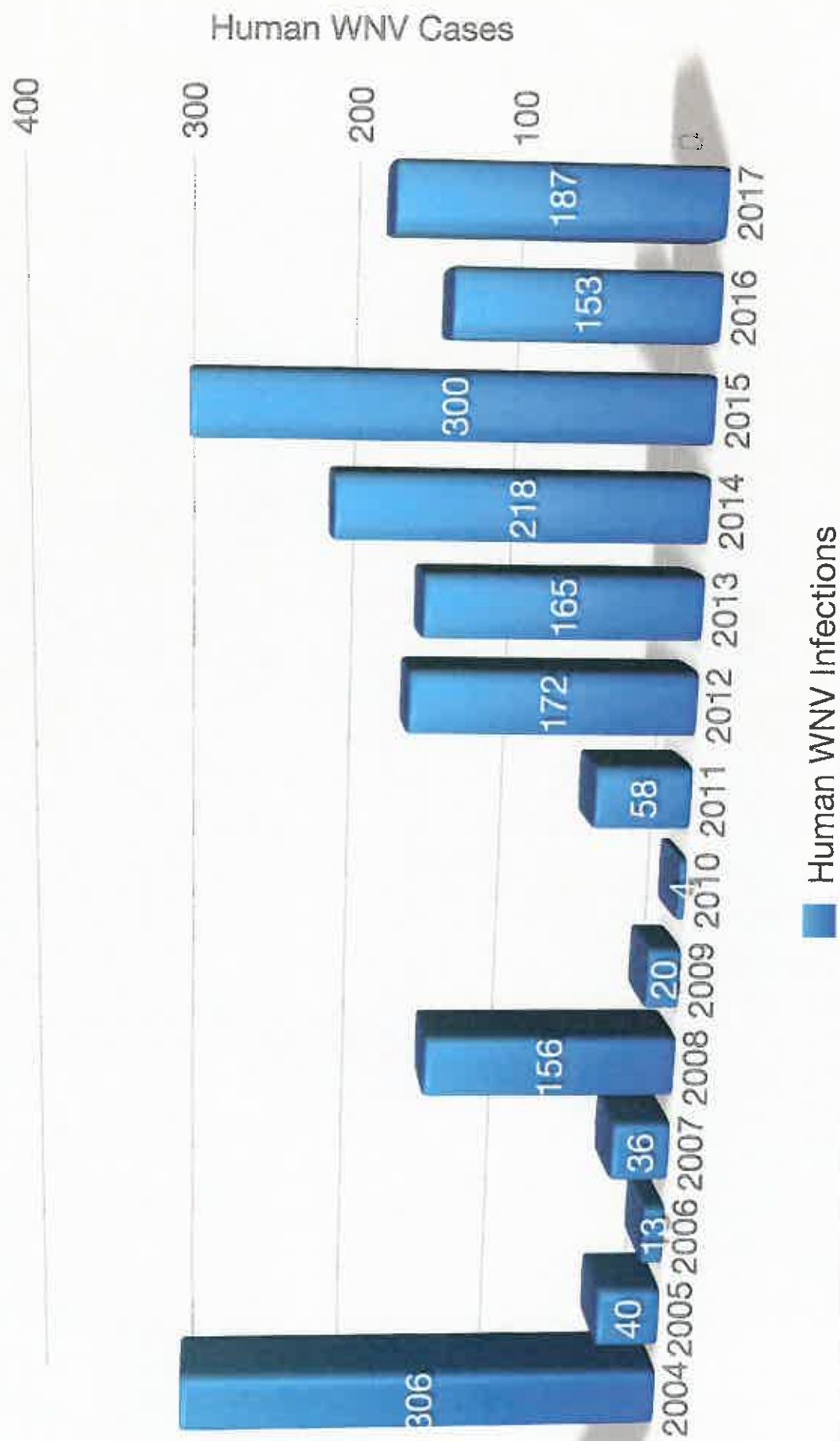
- Zika Virus
- Dengue Fever
- Yellow Fever
- Chikungunya
- West Nile virus
- Dog Heart Worm

Active Control & Source Reduction
Disease & Abundance Surveillance
Scientific Research
Outreach and Education



WEST NILE VIRUS

Annual Pattern of Human Infections in Los Angeles County, 2004-2017





INVASIVE MOSQUITOES

CURRENT INFESTATIONS AND FUTURE PROGNOSIS

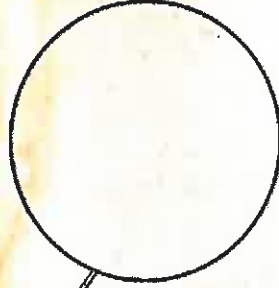
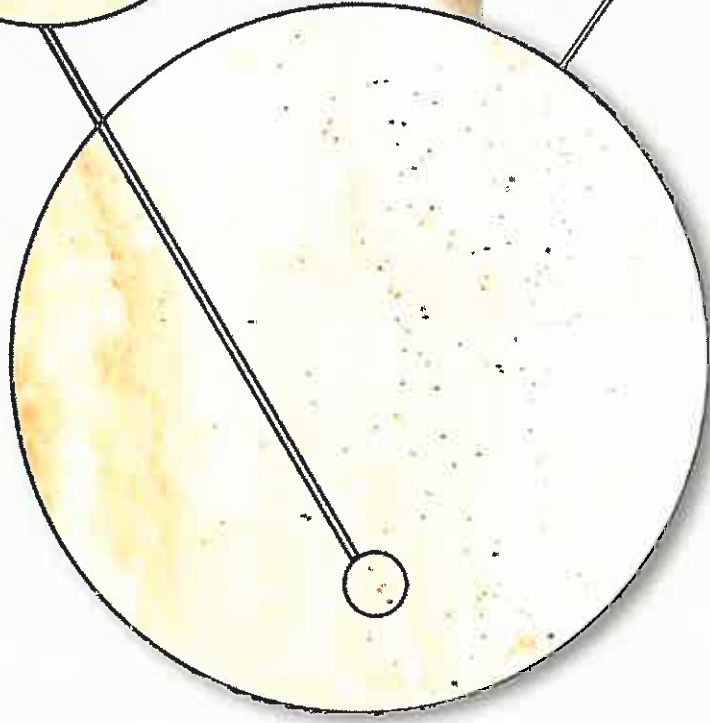
Mosquitoes



Southern House & Western
Encephalitis Mosquitoes
- West Nile virus

Asian Tiger & Yellow
fever Mosquitoes
- Zika Virus
- Dengue Fever
- Yellow Fever
- Chikungunya
- West Nile virus
- Dog Heart Worm

Active Control & Source Reduction
Disease & Abundance Surveillance
Scientific Research
Outreach and Education



- Eggs are only 0.5mm in length
- Laid individually over many sites
- Can survive desiccation for up to one year





A Shared Responsibility

VECTOR Control

The Future of Vector Control:

- **West Nile virus will continue to sicken and kill LA County residents each year.**
- **Invasive mosquitoes have compounded the risk of disease transmission and greatly limit control strategies.**
- **New mosquito control materials and methods are costly and slow to reach market.**
- **Outreach and education efforts are limited due to fragmented traditional media markets.**



Compton Creek Mosquito Abatement District
1224 South Santa Fe Ave. • Compton, CA 90221
Tel. / Fax: (310) 933-5321 • www.comptoncreekmad.org
e-mail: info@comptoncreekmad.org or comptoncreekmad@earthlink.net

October 30th, 2017

TRUSTEES:

President
Micah Ali
County of Los Angeles

Vice President
Janna Zurita
County of Los Angeles

Board Secretary
Margaret D. Comer
County of Los Angeles

Trustee
John Shelton
City of Long Beach

Trustee
Tana McCoy
City of Compton

General Manager
Mitchel R. Weinbaum

The Honorable Janice Hahn, Supervisor
Los Angeles Board of Supervisors, District 4
500 W. Temple Street, Room 822
Los Angeles, CA 90012

Re: Compton Creek Mosquito Abatement District's Mosquito Control & Abatement Strategies

Supervisor Hahn:

We heard the urgency in your remarks to the Board of Supervisors during its September 12th, 2017 Board Meeting and share your concerns over the spread of West Nile Virus and the seeming proliferation in the number of cases here in Los Angeles County.

The Compton Creek Mosquito Abatement District is one of five mosquito control entities serving Los Angeles County and thus included in your September 12th motion instructing the County Department of Public Health to work with agencies, such as ours, to explore more aggressive control strategies to increase our effectiveness in limiting the spread of mosquito-borne diseases, such as the West Nile and Zika viruses.

We wanted to write to you and outline our mosquito abatement strategy as well as update you on some of our District's recent outreach efforts that we have conducted here in Compton, our portion of North Long Beach, and unincorporated areas of Los Angeles County in the District. However, before we begin, it is important to note that mosquito abatement districts, like ours, have operated on virtually the same level of funding since the early 90s. Back then we only had to worry about the spread of Encephalitis – but now in 2017, despite no real changes in our funding, we must also contend with the threats of Dengue, Chikugunya, Zika, and West Nile Virus.

As you know, the Compton Creek Mosquito Abatement District is an independent special district that covers 12.5 square miles and protects nearly 130,000 citizens in the communities of Compton and North Long Beach, in the Second and Fourth Districts. We're committed to protecting the public's health, safety, and welfare from mosquito-borne diseases through mosquito abatement and control through our Integrated Mosquito Management program.

The District includes the communities of:

Compton, East Rancho Dominguez, Enterprise, Mona Park, North Long Beach, Rosewood, West Rancho Dominguez and Willowbrook

Our comprehensive Integrated Mosquito Management Program consists of four central pillars to control the spread of mosquitoes and the diseases they may carry.

Our first, most central, step is comprised of public relations and education, as awareness is the most effective form of mosquito control. We attend every possible civic and community event in order to share materials and information on protecting one's self and family from the threat of mosquito-borne diseases. We even provide educational workshops to every 6th-7th grader in each of the 32 elementary and middle schools operating in our District in addition to hosting an annual Mosquito Awareness Day, held at a rotating school site, with several interactive hands-on workstations and labs.

We have adopted the principle of "shared responsibility" when describing the type of collaboration and teamwork involved between our District and the residents who live within its boundaries. We regularly send out informational mailers to every residence in our District containing protective safety steps and tips that residents can take to proactively defend themselves and their families. As far as we know, we are the only mosquito abatement district that provides these direct mailers to every residence, ensuring that everyone has access to this critical information.

The second step of our mosquito management program consists of water management – working to ensure that any stagnant water is removed and that the flow of water is restored. We have numerous water sources to inspect and monitor, including: the Compton Creek, water retention and catch basins, and the numerous flood control channels in our jurisdiction. If any vegetation, debris, or other materials are found to be restricting the flow of water then we act promptly to restore the habitat by eliminating the blockage.

Furthermore, when any type of incident arises, we respond immediately and comprehensively. For example, earlier this year, when an *Aedes Aegypti* mosquito was discovered for the first time in the Long Beach portion of the District, we partnered with the Long Beach Public Health Department to go door-to-door to every house in the affected area, offering protective tips and ensuring that all standing water, and other potential mosquito breeding grounds, were removed.

The third step of our mosquito management program focuses on biological control – using Mother Nature as a natural ally. Our District, like many districts across California, relies on a fish pond/hatchery to raise and replenish our own stores of *Gambusia Affinis*, the Western Mosquitofish, as they are not otherwise commercially available in California. These hearty fish are unique allies in our vector control effort – they live in the stagnant waters where mosquitoes lay their eggs and thrive by consuming larvae as fast as they can hatch. We place these adult fish in the Compton Creek and other private ponds and non-maintained swimming pools throughout the District, drastically reducing the number of mosquitoes that reach adulthood.

Our final step, used only as a last resort, is targeted chemical control, which consists of introducing pesticides and chemicals into stagnant water where mosquito larvae are present (larviciding) or, in extreme circumstances, utilizing truck-mounted and/or hand-held spraying equipment to target adult mosquitoes (adulticiding). Between these two options, larviciding is the most prudent and is always our preferred method for any chemical control measures that we may take. However, we do reserve truck-mounted and hand-held spraying as emergency options that are only considered in extreme situations and only after close consultation with the local and county Health Departments.

It is important to underscore that our programs and services are funded by taxpayer dollars and are provided at no charge, ensuring that every resident has access to these critical public welfare services. When viewed in aggregate, the amount of value and protection we provide to our community, despite stagnant funding and additional cost pressures, is astoundingly enormous. Our hard-working staff are always on hand to provide educational workshops, property inspections, and responses to any crises that arise.

We are firmly committed to the idea that educating and making the public aware of our mutual "shared responsibility" is the best, and frankly only, way that mosquito control can be accomplished and maintained. Despite all that we do, the biggest bottleneck in this effort is the need for increased funding so we that we can expand the reach of our public education programs by employing mailers, TV, radio, social media, and everything in between.

Being constrained by our 1990s budget has forced us to become innovative and efficient. However, nearly thirty years later, we are reaching the limits of what is possible and desperately need increased funding to continue making greater and greater impacts. Now that you have had a glimpse at the extent of our effectiveness and accomplishments, we hope that you will be a champion in assisting us to receive additional mosquito control funding.

Thank you for your time and kind attention to this letter. We hope it was illuminating and useful in facilitating your understanding of our mosquito abatement strategies, integrated management plan, and the level of vigilance we hold while pursuing the actions necessary to keep our communities safe and mosquito-free.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchel R. Weinbaum". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mitchel R. Weinbaum, General Manager
Compton Creek MAD

LOCAL AGENCY FORMATION COMMISSION

SCHEDULE OF MEETINGS

2018

The Commission will meet at 9:00 a.m., in the Board of Supervisors Hearing Room (Room 381, Kenneth Hahn Hall of Administration), 500 West Temple Street, Los Angeles, on the following Wednesdays:

2 nd Wednesday of the Month	
January 10	July 11
February 14	August 8
March 14	September 12
April 11	October 10
*May 9	November 14
June 13	December 12
January 9, 2019	

***The Board of Supervisors are scheduled to hold Budget Hearings in the month of May. Therefore, the May 9th LAFCO meeting may be relocated to room 374A.**

Staff Report

Independent Auditor's Report Fiscal Year 2016-17

Agenda Item No. 9.c.

November 15, 2017

In August of 2016, the Commission awarded a contract to a certified public accounting firm (Davis Farr, LLP) to prepare audits for four fiscal years, beginning with Fiscal Year 2015-16 through Fiscal Year 2019-20. This agenda item relates to the completion of the second audit for Fiscal Year 2016-17 (which started on July 1, 2016, and ended on June 30, 2017).

Jennifer Farr of Davis Farr will present the findings in the Fiscal Year 2015-16 Independent Auditor's Report and will be available to answer questions from the Commission. LAFCO's accountant (Cindy Byerrum, CPA) will also be available to answer questions from the Commission.

This year's audit was conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. The auditors have provided a favorable opinion of LAFCO's financial statements. The auditor did not identify any deficiencies in internal controls, nor did they find any instances of noncompliance or any material misstatements.

The Audited Financial Statements for Fiscal Year 2016-17 are attached for your information. The documents include: Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Also attached is a letter from Davis Farr, dated October 27, 2017 concerning their responsibilities in performing the audit, consistent with governmental and professional standards.

Recommendation

It is recommended that the Commission:

1. Receive and file the attached Independent Auditor's Report, audited financial statements, and associated documents for Fiscal Year 2016-17 ending June 30, 2017.



Davis Farr LLP
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To the Board of Commissioners
Local Agency Formation Commission of
the County of Los Angeles

We have audited the financial statements of the governmental activities, and each major fund of the Local Agency Formation Commission of the County of Los Angeles ("Commission") for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 11, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Commission are described in Note 1 to the financial statements. We noted no transactions entered into by Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was judgements involving the funded status of the pension liability.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Footnote 5: Pension Plan.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of our audit procedures. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 27, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the *Schedule of the Plan's Proportionate Share of the Net Pension Liability*, the *Schedule of Pension Plan Contributions*, and the *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual* which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



Irvine, California
October 27, 2017

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2017

(With Independent Auditor's Report Thereon)

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Basic Financial Statements

For the Fiscal Year Ended June 30, 2017

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Local Agency Formation Commission for the County of Los Angeles (the Commission) as of June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of June 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Commission Members
Local Agency Formation Commission
for the County of Los Angeles
Page Two

Other Matters

Prior Year Comparative Financial Statements

We have previously audited the Commission's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 23, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, budgetary comparison information, Schedule of the Plan's Proportioned Share of the Net Pension Liability, the Schedule of Plan Contributions, and the Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2017 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.



Irvine, California
October 27, 2017

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017**

The following discussion and analysis of the financial performance of the Los Angeles County Local Agency Formation Commission (the Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of two parts – *management's discussion and analysis* (this section), and the *basic financial statements*.

The *government-wide financial statements* provide both *long-term* and *short-term* information about the Commission's overall financial status. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

Reporting the Commission as a Whole

The accompanying **government-wide financial statement** presents financial data for the Commission as a whole. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in them. You can think of the Commission's net position – the difference between assets and liabilities – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases and decreases* in the Commission's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the Commission's revenues, to assess the *overall health* of the Commission. Indeed, a reduction in net position is assumed in the budget process. The prior year end fund balance is relied on as a funding source for the current year budget.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

For the Fiscal Year Ended June 30, 2017

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Net Position* follows:

Table 1
Statement of Net Position
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>%</u>
ASSETS:				
Current assets	\$1,559,389	\$1,211,057	\$ 348,332	29%
Deferred outflows of resources	406,079	277,093	128,986	47%
Capital assets, net	<u>6,581</u>	<u>11,077</u>	<u>(4,496)</u>	<u>-41%</u>
Total Assets	<u>1,972,049</u>	<u>1,499,227</u>	<u>472,822</u>	<u>32%</u>
LIABILITIES AND NET POSITION				
LIABILITIES:				
Current liabilities	46,371	52,708	(6,337)	-12%
Deferred inflows of resources	195,000	145,000	50,000	34%
Long-term liabilities	<u>1,400,054</u>	<u>1,272,252</u>	<u>127,802</u>	<u>10%</u>
Total Liabilities	<u>1,641,425</u>	<u>1,469,960</u>	<u>171,465</u>	<u>12%</u>
NET POSITION:				
Net investment in capital assets	6,581	11,077	(4,496)	-41%
Unassigned	<u>324,043</u>	<u>18,190</u>	<u>305,853</u>	<u>1681%</u>
Total Net Position	<u>\$ 330,624</u>	<u>\$ 29,267</u>	<u>\$ 301,357</u>	<u>1030%</u>

Total Assets increased by \$472,822, or 32%, primarily due to an increase in Deferred Outflows of Resources related to the pension plan and a nominal increase of less than three percent to cash collected in local agency allocations. Current Liabilities decreased by 12% and Long-term Liabilities increased 10%. The decrease in Current Liabilities is due to the timing of expense payments and a decrease in Compensated Absences obligations, and the increase in Long-term Liabilities is due to the increase in Net Pension Obligation in FY 16/17.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
For the Fiscal Year Ended June 30, 2017**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Activities* follows:

The increase or decrease in net position can provide an indication as to whether the overall financial position of the Commission improved or deteriorated during the year.

Table 2
Statement of Activities
June 30, 2017 and 2016

	2017	2016	Change	%
REVENUES:				
Assessments	\$1,322,443	\$1,288,508	\$ 33,935	3%
Charges for services	119,646	154,756	(35,110)	-23%
Interest and Unrealized Gains/Losses	6,724	11,355	(4,631)	-41%
Total Revenues	<u>1,448,813</u>	<u>1,454,619</u>	<u>(5,806)</u>	<u>0%</u>
EXPENSES:				
General government	1,147,456	1,211,080	(63,624)	-5%
Other expenses	-	-	-	0%
Total Expenses	<u>1,147,456</u>	<u>1,211,080</u>	<u>(63,624)</u>	<u>-5%</u>
Excess of Revenues Over (Under) Expenses	<u>\$ 301,357</u>	<u>\$ 243,539</u>	<u>\$ 57,818</u>	<u>24%</u>
Net Position - Beginning of Year, As Restated	<u>29,267</u>	<u>(214,272)</u>	<u>243,539</u>	<u>-114%</u>
Net Position - End of Year	<u>\$ 330,624</u>	<u>\$ 29,267</u>	<u>\$ 301,357</u>	<u>1030%</u>

Assessments increased by 3% due to the increase in agency apportionment approved by the Commission for FY 16/17. Interest and Unrealized Gains/Losses decreased due to a year-end fair market value adjustment to the County Investments for audit purposes only. Charges for Services decreased due to less activity in FY 16/17. Expenses decreased by \$63,624 primarily as a result of lower salary and benefit costs due to a staffing vacancy.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
For the Fiscal Year Ended June 30, 2017**

MAJOR FUNDS

Major Governmental Funds. The **General Fund** is the only fund of the Commission, and is considered to be a governmental fund for financial reporting purposes.

GENERAL FUND BUDGET

Major deviations between the budget of the General Fund and its operating results are as follows:

Revenues

Revenues were under budgeted by slightly over \$52,000 due to more Commission activity than budgeted. Total revenues were greater than budgeted by approximately \$52,000 due to higher than anticipated fee revenue and substantial refunds in insurance premiums from prior years. A change in insurance policyholders and an update to the annual renewal of the carrier's questionnaire caused LAFCO to receive the insurance refunds.

Expenses

Overall, total expenses were approximately \$120,000 under budget. The decrease in expenses was primarily due to less salaries and benefit expenses due to an unexpected vacancy in staffing, and cost savings in insurance premium costs for property and liability.

CAPITAL ASSETS

Net Capital Assets - Governmental Activities
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Furniture and fixtures, net	\$ -	\$ 1,012	\$ (1,012)
Office Equipment, net	1,743	4,095	(2,352)
Leasehold improvements, net	4,838	5,970	(1,132)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 6,581</u>	<u>\$ 11,077</u>	<u>\$ (4,496)</u>

** All amounts are net of accumulated depreciation*

At the end of fiscal year 2017, the Commission's investment in capital assets amounted to \$6,581 (net of accumulated depreciation). This investment in capital assets includes equipment, furniture & fixtures and tenant improvements. (See Note 3 for further information)

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
For the Fiscal Year Ended June 30, 2017**

LONG-TERM LIABILITIES

Long-term Liabilities
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Compensated Absences	\$ 60,019	\$ 72,260	\$ (12,241)

Long-term liabilities, such as *Compensated Absences* are not due and payable in the current period. Additional information on long-term liabilities may be found in Note 4 of the Notes to Financial Statements.

CONDITIONS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any conditions, which could have a significant impact on the Commission's current financial position, net position or operating results in terms of past, present and future.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer, Paul Novak at 80 South Lake Avenue, Suite 870, Pasadena, CA 91101.

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Statement of Net Position
June 30, 2017
(With comparative information for the prior year)

	Governmental Activities	
	2017	2016
Assets:		
Cash and investments (note 2)	\$ 1,449,287	1,188,290
Accounts receivable	20,950	-
Interest receivable	2,264	1,408
Prepaid expenses	78,656	13,127
Security deposits	8,232	8,232
Capital assets, net (note 3)	6,581	11,077
Total assets	<u>1,565,970</u>	<u>1,222,134</u>
Deferred outflow of resources:		
Deferred outflows - pension contributions	84,079	106,091
Deferred outflows - pension actuarial	322,000	171,002
Total deferred outflow of resources	<u>406,079</u>	<u>277,093</u>
Liabilities:		
Accounts payable	9,260	12,439
Long-term liabilities (notes 4 to 7):		
Due within one year:		
Compensated absences	29,709	36,633
Deferred rent obligation	7,102	4,501
Due beyond one year:		
Compensated absences	30,310	35,627
Deferred rent obligation	44,612	51,714
Net OPEB obligation	519,432	481,046
Net pension liability	806,000	703,000
Total liabilities	<u>1,446,425</u>	<u>1,324,960</u>
Deferred inflow of resources:		
Deferred inflow of resources - pension actuarial	<u>195,000</u>	<u>145,000</u>
Net position:		
Investment in capital assets	6,581	11,077
Unrestricted	<u>324,043</u>	<u>18,190</u>
Total net position	<u>\$ 330,624</u>	<u>29,267</u>

See accompanying notes to the basic financial statements

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Statement of Activities
For the Fiscal Year Ended June 30, 2017
(With comparative information for the prior year)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2017	2016
Governmental activities:						
General government	\$ 1,147,456	119,646	-	-	(1,027,810)	(1,056,324)
Total governmental activities	\$ 1,147,456	119,646	-	-	(1,027,810)	(1,056,324)
General revenues:						
Apportionment					1,322,443	1,288,508
Investment income					6,724	11,355
Total general revenues					1,329,167	1,299,863
Change in net position					301,357	243,539
Net position (deficit), beginning of year					29,267	(214,272)
Net position, end of year					\$ 330,624	29,267

See accompanying notes to the basic financial statements

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Governmental Funds
Balance Sheet
June 30, 2017

	<u>Assets</u>	<u>General Fund</u>
Cash and investments		\$ 1,449,287
Accounts receivable		20,950
Interest receivable		2,264
Prepaid expenses		78,656
Security deposits		<u>8,232</u>
 Total assets		 <u>\$ 1,559,389</u>
	 <u>Liabilities and Fund Balance</u>	
Liabilities:		
Accounts payable		\$ <u>9,260</u>
 Total liabilities		 <u>9,260</u>
Fund balance:		
Nonspendable:		
Prepaid expenses		78,656
Unassigned		<u>1,471,473</u>
 Total fund balance		 <u>1,550,129</u>
 Total liabilities and fund balance		 <u>\$ 1,559,389</u>

See accompanying notes to the basic financial statements

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017

Fund balances of governmental funds \$ 1,550,129

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the Commission as a whole.

Capital assets	129,706
Accumulated depreciation	(123,125)

Long-Term Liability Transactions

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Compensated absences	(60,019)
Deferred rent obligation	(51,714)
Net OPEB obligation	(519,432)
Net pension liability	(806,000)

Deferred Outflows and Inflows of Resources

Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental funds.

Deferred outflows - contributions	84,079
Deferred outflows - actuarial	322,000
Deferred inflows - actuarial	<u>(195,000)</u>

Net position of governmental activities	<u>\$ 330,624</u>
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LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

Revenues:	<u>General Fund</u>
Apportionment	\$ 1,322,443
Filing fees	95,790
Charges for services	23,856
Investment income	<u>6,724</u>
Total revenues	<u>1,448,813</u>
Expenditures:	
General government:	
Salaries and employee benefits	765,535
Office expense	234,466
Professional fees	<u>97,301</u>
Total expenditures	<u>1,097,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>351,511</u>
Net change in fund balances	351,511
Fund balances at beginning of year	<u>1,198,618</u>
Fund balances at end of year	<u>\$ 1,550,129</u>

See accompanying notes to the basic financial statements

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Net changes in fund balances - total governmental funds	\$ 351,511
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital expenditures	
Depreciation expense	(4,496)

Long-Term Liability Transactions

Some expenses reported in the Statement of Activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the Commission as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.

Net change in net pension liability	(24,014)
Net change in net OPEB obligation	(38,386)
Net change in deferred rent obligation	4,501
Net change in compensated absences	<u>12,241</u>
 Change in net position of governmental activities	 <u>\$ 301,357</u>

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2017

1) Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The Local Agency Formation Commission for the County of Los Angeles (the "Commission") was established by state law, "The Knox-Nisbet Act of 1963", to discourage urban sprawl and encourage the orderly formation and development of local government agencies. The Commission is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporation of cities, formation of special districts as well as consolidations, mergers, and dissolutions of districts, among others.

The Commission is governed by Commissioners composed of nine regular members: two members from the County Board of Supervisors, two city representatives, one City of Los Angeles representative, two special district representatives and two public members, one of which represents the San Fernando Valley Statistical area. Since implementation of the Cortese-Knox-Hertzberg Local Government Reorganization Act in 2001, the Commission has operated as a legally separate and independent entity from the County government. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name.

The accompanying financial statements reflect the financial activities of the Commission. The Commission has no component units.

b. Basis of Accounting and Measurement Focus

The *basic financial statements* of the Commission are composed of the following:

- (a) Government-wide financial statements
- (b) Fund financial statements
- (c) Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Assessments, investment income, and other items not properly included among program revenues are reported instead as general revenues.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

Fund Financial Statements

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Commission uses an availability period of 60 days for all revenues.

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received from the government.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Governmental Fund Balances

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Spendable Fund Balance

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Commission action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance – this includes amounts that can be used only for the specific purposes determined by a formal action of the Commission. It includes legislation (Commission action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Commission action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The Commission considers a resolution, to constitute a formal action of the Board of Commissioners for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are designated or expressed by the Commission, but does not require a formal action like a resolution or ordinance. The Commission may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such delegation of authority has not yet been granted.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

Fund Balance Flow Assumption – Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as a separate column in the fund financial statements.

The Commission reports the following major governmental fund:

The General Fund is used to account for resources traditionally associated with the organization, which are not required legally or by sound financial management to be accounted for in another fund.

b. Cash and Investments

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

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

c. Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable input reflect the Commission's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Commission's own data.

a. Capital Assets

Capital assets are recorded at cost for purchases in excess of \$1,000. Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. Estimated useful lives of the assets are as follows:

Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Tenant improvements	10 years

b. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission reports deferred outflows related to pensions resulting from actuarial calculations and pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reports a deferred inflow related to pensions resulting from actuarial calculations.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

c. Deferred Rent Obligation

The Commission's policy is to average any defined rental escalations or rent concessions over the term of the related lease in order to provide a level recognition of rent expense. The Commission's total accrued rent obligation was \$51,714 at June 30, 2017.

d. Compensated Absences

Permanent Los Angeles LAFCO employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 12 sick days a year. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave and 50% of unused sick leave, up to the maximum hours specified in individual employment contracts.

e. Pensions

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	June 30, 2015 to June 30, 2016

h. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

1) Summary of Significant Accounting Policies, (Continued)

i. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's prior year financial statements, from which this selected financial data was derived. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

2) Cash and Investments

Cash and investments as of June 30, 2017, consist of the following:

Demand Deposits	\$ 43,636
Cash held by the County of Los Angeles	1,405,651
Total	<u>\$ 1,449,287</u>

Investments Authorized by California Government Code and the Commission's Investment Policy

The table below identifies the investment types that are authorized for the Commission by the California Government Code Section 53601. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Type of Investment</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury securities	5 years	100%	none
Federal agency securities	5 years	100%	none
Bankers' acceptances	180 days	40%	30%
Commercial paper	180 days	25%	10%
Negotiable CDs	5 years	30%	none
Repurchase agreements	90 days	50%	none
Corporate bonds	5 years	30%	none
Mutual funds	n/a	15%	10%
Local Agency Investment Fund (LAIF)	n/a	none	100%

Each of the maximums included in the table on the previous page are based upon state law requirements or investment policy requirements whichever is more restrictive.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2017, the Commission's funds are held as short-term deposits in the Los Angeles County Treasury Pool.

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2017, the Commission had no investments subject to credit risk.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk as the risk that the Commission will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Fair Value Measurement

The Los Angeles County Treasury Pool is a pooled investment fund program governed by the Los Angeles County Board of Supervisors, and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$1,405,651 as of June 30, 2017. This investment is not required to be categorized within the fair value hierarchy established by generally accepted accounting principles.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

3) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
Capital assets:				
Office equipment	\$ 52,421	-	-	52,421
Furniture and fixtures	65,957	-	-	65,957
Tenant improvements	11,328	-	-	11,328
Total capital assets	<u>129,706</u>	<u>-</u>	<u>-</u>	<u>129,706</u>
Less accumulated depreciation for:				
Office equipment	(48,326)	(2,351)	-	(50,677)
Furniture and fixtures	(64,945)	(1,012)	-	(65,957)
Tenant improvements	(5,358)	(1,133)	-	(6,491)
Total accumulated depreciation	<u>(118,629)</u>	<u>(4,496)</u>	<u>-</u>	<u>(123,125)</u>
Total capital assets, net	<u>\$ 11,077</u>	<u>(4,496)</u>	<u>-</u>	<u>6,581</u>

4) Compensated Absences Payable

Compensated absences payable activity for the year ended June 30, 2017, was as follows:

Compensated absences payable at beginning of year	\$ 72,258
Compensated absences payable earned	36,594
Compensated absences payable used	<u>(48,834)</u>
Compensated absences payable at end of year	<u>\$ 60,019</u>

Compensated absences expected to be paid within one year is \$29,709 at June 30, 2017.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

5) Pension Plan

a. General Information about the Pension Plan

Plan Description

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

Benefits Provided

LACERA provides retirement, disability, death benefits and cost of living adjustments to eligible employees. Eligibility to participate in the retirement plan is determined by having completed thirty days of credited service. The retirement benefits within the plan are tiered based on the date of LACERA membership.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	General		
		If elected, on or after January 4, 1982	
Hire date	Prior to January 1, 2013	and before November 28, 2012	On or After January 1, 2013
Plan name	Plan D	Plan E	Plan G
Benefit vesting schedule	5 years of service	10 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-70	55-70	52 - 67
Monthly benefits, as a % of eligible compensation	1.18% - 2.43%	0.75% - 2.0%	1.0%- 2.5%
Required employee contribution rates (1)	4.83% - 10.94%	0%	7.63%
Required employer contribution rates	16.19%	17.49%	16.07%

(1) Based on age at entry into the Plan

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

5) Pension Plan, (Continued)

Contributions

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

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

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The following table shows the Commission's proportionate share of the net pension liability over the measurement period:

Total Pension Liability

Balance at: 12/31/2015	\$703,000
Balance at: 12/31/2016	806,000
Net change during 2016	103,000

The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

	<u>General</u>
Proportion – June 30, 2015	0.0091%
Proportion – June 30, 2016	0.0076%
Change – Increase (Decrease)	0.0015%

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

5) Pension Plan, (Continued)

For the year ended June 30, 2017, the Commission recognized pension expense of \$108,093. At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to Measurement date	\$ 84,079	-
Differences between actual and expected experience	-	(71,000)
Change in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	145,000	(124,000)
Net differences between projected and actual earnings on plan investments	177,000	-
Total	<u>\$ 406,079</u>	<u>(195,000)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$84,079 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 17,292
2019	17,292
2020	77,492
2021	54,092
2022	(2,708)
Thereafter	(36,460)

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

5) Pension Plan, (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Individual Entry Age Normal

Actuarial Assumptions:

Discount Rate	7.63%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase (1)	3.50%
Investment Rate of Return	7.50%
Mortality (2)	

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

(2) Various rates based on RP-2000 mortality tables and using static projection of improvements to 2025 using Projection Scale AA. See June 30, 2015 actuarial valuation for details.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of the 2014 Investigation of Experience report. Further details of the report can be found on the LACERA website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2016, was 7.63%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.13% to be gross of administrative expenses. The projection of cash flows used to determine the discount rate assumed that Plan contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

5) Pension Plan, (Continued)

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Rate of Return (Geometric)	
		Asset Class	Expected Alpha
Global Equity	48.50%	7.50%	0.10%
Fixed Income	22.50%	3.50%	0.20%
Real Estate	10.00%	6.05%	0.00%
Private Equity	11.00%	9.85%	4.00%
Commodities	3.00%	4.35%	0.75%
Hedge Funds	3.00%	5.50%	0.00%
Cash	2.00%	1.75%	0.25%
Total	<u>100.00%</u>		

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

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

	1% Decrease 6.63%	Current Discount Rate 7.63%	1% Increase 8.63%
Net Pension Liability	\$ 1,370,000	\$ 806,000	\$ 335,000

Pension Plan Fiduciary Net Position

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

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

6) Other Post-Employment Benefits Plan

a. Plan Description

The Commission provides a defined benefit healthcare plan to retirees in accordance with the benefits provided by the Los Angeles County Retirement Association. Spouses are also covered throughout their lives. The Commission pays 4% of the annual premiums for each year of service of the retiree. The retiree is responsible for payment of the remaining premiums. Retirees must have worked a minimum of 10 years with the Commission in order to be eligible for these benefits.

b. Funding Policy

As of June 30, 2017, the Commission has not established a trust account or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The Commission's contribution is currently based on a projected pay-as-you-go funding method, that is, benefits are payable when due. For the fiscal years ended June 30, 2017, 2016 and 2015, those costs totaled \$22,839, \$12,854, and \$10,907, respectively.

c. Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) was calculated based on the Alternative Measurement Method which is applicable to employers with fewer than 100 plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Commission uses a 30 year amortization period.

The following table shows the components of the Commission's annual OPEB, the cost amount of benefits and/or insurance premiums paid, and the changes in the Commission's Net OPEB obligation for the year ended June 30, 2017:

Annual required contribution	\$ 62,935
Interest on net OPEB obligation	19,242
Adjustment to annual required contribution	<u>(20,952)</u>
Annual OPEB cost	61,225
Pay-as-you-go cost	<u>(22,839)</u>
Increase in net OPEB obligation	38,346
Net OPEB obligation - beginning of year	<u>481,046</u>
Net OPEB obligation - end of year	<u><u>\$ 519,432</u></u>

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

6) Other Post-Employment Benefits Plan, (Continued)

d. Three-Year Trend Information

The Commission's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan and the net OPEB obligation for 2017 and the preceding two years are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percent of Annual OPEB Contribution</u>	<u>Net OPEB Obligation</u>
2015	\$ 81,748	13.34%	412,094
2016	81,806	15.71%	481,046
2017	61,225	37.36%	519,432

e. Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the Plan is not funded. The actuarial accrued liability for benefits was \$913,837, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$913,837. The covered payroll (annual payroll of active employees covered by the plan) was \$561,382 and the ratio of the UAAL to the covered payroll was 162.78%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following statistics and assumptions were used in the actuarial valuation:

No. of active employees	7
Average age of active, eligible employees	45
Assumed retirement age	65
Actuarial cost method	Entry age
Amortization method	Level % of payroll over a 30-year period
Discount rate	4%
Payroll growth rate	2%
Healthcare cost trend	4%

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to Financial Statements

(Continued)

7) Commitments

The Commission has entered into office space and equipment leases under long-term lease agreements expiring through November 2021. Future minimum rental payment under non-cancelable leases are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2018	\$ 89,301
2019	91,980
2020	94,739
2021	97,582
2022	41,158
Total	<u>\$ 414,760</u>

Total rent expense for the year ended June 30, 2017 amounted to \$97,077.

REQUIRED SUPPLEMENTARY INFORMATION

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

	Measurement Date		
	6/30/2016	6/30/2015	6/30/2014
Proportion of the Collective Net Pension Liability	0.0078%	0.0091%	0.0080%
Proportionate Share of the Collective Net Pension Liability	\$806,000	\$703,000	\$580,000
Covered-Employee Payroll	\$564,082	\$594,657	\$575,750
Proportionate Share of the Collective Net Pension Liability as percentage of covered-employee payroll	142.89%	118.22%	100.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.75%	86.30%	86.80%

Notes to Schedule:

Benefit Changes – There were no changes in benefits

Changes in Assumptions – There were no changes in assumptions

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Contributions – Defined Benefit Pension Plan
Last Ten Fiscal Years *

	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contribution	\$ 84,079	\$ 106,091	\$ 116,988
Contributions in Relation to the Actuarially Determined Contribution	<u>(84,079)</u>	<u>(106,091)</u>	<u>(116,988)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 507,467	\$ 564,082	\$ 594,657
Contributions as a Percentage of Covered- Employee Payroll	14.98%	18.81%	19.67%

Notes to Schedule:

Fiscal Year End 6/30/2017

Valuation Date 6/30/2014

Methods and Assumptions Used to Determine Contribution Rates:

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

* - Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Funding Progress - Other Post Employment Benefits Plan
Last Three Actuarial Valuation Dates

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (UAAL) (a) - (b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll [c]	UAAL as a % of Covered Payroll ((a)- (b))/[c]
7/1/2012	\$ 748,249	\$ -	\$ 748,249	0.00%	\$ 423,900	176.52%
7/1/2013	711,231	-	711,231	0.00%	545,832	130.30%
7/1/2016	913,837	-	913,837	0.00%	503,090	181.60%

LOS ANGELES LOCAL AGENCY FORMATION COMMISSION
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Apportionment	\$ 1,322,443	1,322,443	1,322,443	-
Filing fees	75,000	75,000	95,790	20,790
Charges for services	700	700	23,856	23,156
Investment income	7,400	7,400	6,724	(676)
Total revenues	<u>1,405,543</u>	<u>1,405,543</u>	<u>1,448,813</u>	<u>43,270</u>
Expenditures:				
General government:				
Salaries and benefits	942,800	942,800	765,535	177,265
Service and supplies	269,730	269,730	234,466	35,264
Professional fees	93,000	93,000	97,301	(4,301)
Total expenditures	<u>1,305,530</u>	<u>1,305,530</u>	<u>1,097,302</u>	<u>208,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,013</u>	<u>100,013</u>	<u>351,511</u>	<u>251,498</u>
Net change in fund balances	100,013	100,013	351,511	251,498
Fund balances at beginning of year	<u>1,198,618</u>	<u>1,198,618</u>	<u>1,198,618</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,298,631</u>	<u>1,298,631</u>	<u>1,550,129</u>	<u>251,498</u>

See accompanying notes to the required supplementary information

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2017

(1) Budgetary Reporting

The Commission adopted an annual budget prepared on the modified accrual basis for the General Fund, which is consistent with generally accepted accounting principles (GAAP). The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the Commission's approval. However, the Executive Officer may authorize changes within funds. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the management to review the budget with the Commission on a quarterly basis and, if necessary, recommend changes.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Local Agency Formation Commission for the County of Los Angeles (the Commission), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 27, 2017.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in dark ink, appearing to read "David Lee".

Irvine, California
October 27, 2017

Staff Report

November 15, 2017

Agenda Item No. 9.d.

Approval of Proposed Health Care Related Administrative Services Agreement (“Agreement”) by and between the Los Angeles County Employees Retirement Association (“LACERA”) and the Local Agency Formation Commission for the County of Los Angeles

Pursuant to an Agreement executed by LAFCO and LACERA in August of 2012, all LAFCO employees are enrolled in LACERA’s pension system. Pursuant to an MOU adopted recently by the County of Los Angeles and LAFCO, all current LAFCO employees receive their medical and dental insurance coverage and benefits through the County. While these agreements cover current and retired employee pensions, as well as current employee medical and dental insurance coverage, they do not address the administration of health care benefits for LAFCO retirees.

Several months ago, LACERA initiated discussions with LAFCO representatives to negotiate an agreement relative to LACERA’s administration of health care benefits for LAFCO retirees. While LACERA already has an equivalent agreement with the County of Los Angeles, LACERA only recently initiated efforts with other LACERA participants (the Little Lake Cemetery District, LAFCO, the Los Angeles County Office of Education, and the Southern California Air Quality Management District) to negotiate similar agreements. The Agreement presented to you today (attached) is the successful outcome of several meetings and communications between LACERA and LAFCO representatives, as well as legal counsel for both parties.

The Agreement insures that LAFCO retiree health care benefits will be administered by LACERA. Staff believes that there are both economies of scale and efficiencies gained by contracting with LACERA—which already administers LAFCO retiree pensions—as opposed to LAFCO potentially retaining a third-party vendor to administer retiree healthcare benefits.

The Agreement requires a minimum of six months notice should either party desire to terminate the Agreement. In the event that this were to occur, it would provide LAFCO with sufficient time to secure the services of a new administrator.

Approval of the Agreement will have financial impacts upon LAFCO. As a public pension system, LACERA is prohibited from using pension funds for anything other than the administration of retiree pensions. For this reason, LAFCO will be required to absorb LACERA’s costs of negotiating the Agreement, which LACERA estimates to be no more than \$15,000. Going forward, LACERA estimates LAFCO’s ongoing annual maintenance costs will

not exceed \$20,000 per year. Staff plans to address the one-time costs in Mid-Year Budget Update (to be presented to the Commission in January of 2018), and to address the ongoing annual maintenance costs during the Commission deliberations concerning the proposed FY 2018-2019 proposed budget (March or April of 2018).

Should the Commission approve this item, the Agreement would take effect upon execution by the Executive Officer and LACERA's Chief Executive Officer.

Recommended Action:

1. Approve and direct the Executive Officer to execute the Proposed Health Care Related Administrative Services Agreement ("Agreement") by and between the Los Angeles County Employees Retirement Association ("LACERA") and the Local Agency Formation Commission for the County of Los Angeles.

**RETIREE HEALTH CARE RELATED
ADMINISTRATIVE SERVICES AGREEMENT/LAFCO**

This Retiree Health Care Related Administrative Services Agreement ("Agreement") is entered into this ____ day of _____, 2017, by and between the Local Area Formation Commission for the County of Los Angeles ("Employer") and the Los Angeles County Employees Retirement Association ("LACERA" or "Administrator") with reference to the following:

WHEREAS, pursuant to the County Agreement, the Administrator currently provides retiree health care related administrative services on behalf of the County of Los Angeles (the "County") with respect to the Plans sponsored by the County for the benefit of its retired employees and their eligible dependents, which services are ministerial in nature and do not include claims adjudication (the "County Services");

WHEREAS, the Employer desires to sponsor the Plans for the benefit of its retired employees and their eligible dependents, and further desires to retain the Administrator to provide retiree health care related administrative services that are identical in all respects to the County Services (the "Employer Services") and that are provided under the terms and conditions reflected in the County Agreement, such that the Employer shall be subject under this Agreement to all obligations to which the County is subject under the County Agreement.

NOW THEREFORE, the Employer and the Administrator hereby agree as follows:

1. **DEFINITIONS**

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply:

(a) **ACA**. Means the Patient Protection and Affordable Care Act of 2010, as amended from time to time, or any replacement legislation, including regulations and guidance prescribed pursuant thereto.

(b) **Carriers**. Means the carriers identified on Exhibit A and any carriers subsequently selected under Section 3 of this Agreement.

(c) **COBRA**. Means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended from time to time, including regulations and guidance prescribed pursuant thereto.

(d) **Code**. Means the Internal Revenue Code of 1986, as amended from time to time.

(e) **County Agreement**. Means together the April 20, 1982 Agreement between the County and LACERA, by and through its Board of Investments and its Board of Retirement (Agreement 41638); the August 9, 1994 Modification No. 1 to Agreement No. 41638, Relating to a Health Insurance Program for Retired Employees and Their Dependents; the June 17, 2014 Modification No. 2 to Agreement No. 41638, Relating to a Health Insurance Program for Retired Employees and Their Dependents; and all other agreements, understandings, policies, and

practices, whether or not written, between or employed by LACERA and the County with respect to the Retiree Health Care Program.

(f) HIPAA. Means the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, including regulations and guidance prescribed pursuant thereto.

(g) MMA. Means the Medicare Prescription Drug Improvement and Modernization Act, including regulations and guidance prescribed pursuant thereto.

(h) Plans. Means those certain fully-insured health and dental plans identified on Exhibit A.

(i) Premium. Means the total cost per month of the benefit coverage afforded to a Retired Employee, and his or her eligible dependents, as applicable, for the Plan in which the Retired Employee is enrolled, including an administrative component as described in Section 7.

(j) Retiree Health Care Program. Means the program for the provision of the Plans as described in the County Agreement and as administered by Administrator under the County Agreement.

(k) Retired Employee. Means a retired employee of the Employer, or dependent of a retired employee of the Employer, eligible to participate in a Plan.

(l) Retirement Fund. Means the retirement fund established under the County Employees Retirement Law of 1937 (CERL), Cal. Gov't Code §§ 31450 et seq., and the California Public Employees' Pension Reform Act of 2013 (PEPRA), Cal. Gov't Code §§ 7522 et seq., for the purposes of holding the assets of the retirement system administered by LACERA.

2. RELATIONSHIP TO COUNTY AGREEMENT

The Employer shall be subject to all obligations related to the Employer Services to which the County is subject under the County Agreement, including, without limitation, payment and reimbursement obligations. The Employer shall have no greater rights under this Agreement than the County has under the County Agreement. LACERA shall have no greater obligations under this Agreement than it has under the County Agreement. To the extent there is any ambiguity as to the rights and obligations of any party under the terms of the County Agreement, those rights and obligations will be determined by custom and practice as between LACERA and the County with respect to such rights and obligations.

3. CARRIERS, PLANS, RATES, AND TERMS OF COVERAGE

As of the date of this Agreement, the Retiree Health Care Program includes the Plans and Carriers identified on Exhibit A. The Administrator shall be responsible for negotiating contracts with the Carriers on behalf of the Employer with benefit levels, rates, and other terms that are identical in every respect, including the terms of coverage, so far as reasonably possible to those offered by the County, and which may be included within the same contracts negotiated with the Carriers for the County. The Administrator shall negotiate rates which may be based on regional variations in the cost of health care services, or other factors, as reasonably determined by the

Administrator. The Administrator is authorized to terminate or replace a Carrier identified on Exhibit A if the Administrator reasonably determines that the Carrier is not performing as expected or is in material breach of its contract, or that other good cause exists, and provided further that the Administrator may discontinue contract negotiations with a Carrier if the Administrator reasonably determines that the Carrier is not negotiating in good faith, that the parties will be unable to agree on rates, or that other good cause exists. The Administrator may, but is not required to, implement and administer risk adjustment procedures that require Carriers to adjust premiums and other cost saving measures and government subsidies and other programs that are consistent with the County Agreement, and the Employer authorizes the Administrator to redistribute premiums, subsidies, and other proceeds received from any source, based on policies and procedures established by the Administrator in its discretion for this purpose; provided however, the Administrator shall be under no obligation to implement any such procedures or cost saving measures.

4. **PLAN INTERPRETATION; RELATIONSHIP OF THE PARTIES**

The Retiree Health Care Program will be administered, the Plans will be interpreted, and eligibility of individual Retired Employees to participate in the Retiree Health Care Program will be determined in the same manner as under the County Agreements. Carriers shall have the responsibility and authority to decide all questions of eligibility for and entitlement to benefits and determine the amount, manner, and time of payment of benefits, review and make final decisions on benefit claims and appealed benefit claims, and interpret the provisions of the Plans for purposes of resolving any inconsistency or ambiguity, or correcting any error or supplying information to correct any omitted term in the Plans. The Administrator assumes no financial or administrative responsibility for claims (or assisting in any way with claims). Moreover, all processing of claims is done directly through the Carriers. The Administrator shall act only in a ministerial role with respect to the Plans and participation in the Retiree Health Care Program. As the Plans are fully-insured, the Administrator shall have no role whatsoever in claims adjudication. Administrator is not the plan sponsor, trustee of any assets associated with the Plans, or a fiduciary of the Plans.

5. **ELIGIBILITY AND ENROLLMENT**

The Administrator shall provide enrollment information to each retired, or retiring, employee of the Employer as follows: (i) upon receipt of a retirement application from such an employee; (ii) upon receipt of notice from the Employer that an individual is eligible for coverage; or (iii) upon receipt of notice from a Retired Employee (or his or her eligible dependents) or the Employer that an individual is eligible for a change in coverage. It is Employer's and/or Employee's responsibility to notify the Administrator when an individual becomes eligible for coverage or eligible for a change in coverage. Administrator will also provide customer service support for Retired Employees and their eligible dependents related to the Plans, including answering routine questions regarding eligibility, enrollment and where to direct claim disputes. Employer shall be responsible for all program eligibility determinations, and Administrator shall act only in a ministerial role with respect to administering the Plans.

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6. **RESERVE FUND AND OPERATIONAL ACCOUNT**

The Administrator shall establish a fund (the "Reserve Fund") to hold contributions and to pay Premiums related to this Agreement. The Administrator shall also establish one or more accounts (which together are referred to as the "Operational Account") to pay expenses, and hold expense related contributions, related to this Agreement, which Operational Account shall be separate and apart from the Reserve Fund. All amounts received by the Administrator in conjunction with this Agreement shall be deposited into the Reserve Fund and/or Operational Account, including, without limitation, amounts received for Premiums, expenses, drug subsidies and other government subsidies; provided however, the Administrator shall separately account for such amounts to reasonably reflect their source and purpose (recognizing that allocation of certain amounts may require the exercise of discretion, which will be exercised solely by Administrator in its sole discretion as between any relevant parties, persons, or entities). Neither the Employer nor retired members shall be entitled to interest or other earnings on the assets in the Reserve Fund or Operational Account. The Administrator is not required to invest funds in the Reserve Fund or Operational Account. In order to facilitate administration of the Plans, the Administrator may commingle the Employer's Reserve Fund and/or Operational Account with amounts deposited by other employers; provided, however, that each employer's funds shall be separately accounted for, and amounts attributable to the Employer shall not be used for any purpose other than as permitted by this Agreement. To the extent the Operational and Reserve Accounts are insufficient to pay any obligation under this Agreement, such obligation shall be the responsibility of the Employer, subject to the provisions of Section 12 below.

7. CONTRIBUTIONS

(a) Premiums. The Employer and each Retired Employee participating in a Plan shall contribute a portion of the total cost per month of the Premium for the Plan in which the Retired Employee is enrolled according to the terms of the Retiree Health Care Program. A Retired Employee may make no contribution or his or her contribution may be reduced based on subsidies provided under the Retiree Health Care Program. The Administrator, in its sole and absolute discretion, may increase the Premium to cover additional expenses, including expenses of Administrator in performing under this Agreement.

(b) Retired Employee Contribution. The contribution of each Retired Employee shall be equal to the Premium, less the portion of the Premium to be paid by the Employer. Such amount shall be withheld by the Administrator from the retirement allowance payable to him or her. A Retired Employee whose retirement allowance is not sufficient to pay his or her required contribution may only remain enrolled in the applicable Plan if the Retired Employee pays to the Administrator the balance of the Retired Employee's share of the Premium, in accordance with procedures determined by the Administrator.

(c) Employer Contribution. The portion of the Premium to be paid by the Employer shall be based on the Retired Employee's completed years of credited service at retirement, according to the same terms as under the County Agreement, as they may change from time to time. In addition, the Employer contribution shall include an amount allocated toward expenses, as determined by the Administrator, including an appropriate share of start-up costs and overhead costs, which amount may be increased by the Administrator, in its sole and absolute discretion, as needed to cover additional expenses. The Employer shall pay its contribution according to the same terms agreed by the County, as they may change from time to time, with 30 days' advance

notice of any changes to Employer. If the Employer fails to remit the entire amount of contributions (including any amount allocated toward expenses) when due, the Administrator shall have the right, but not the obligation, in its sole discretion to immediately take one or more of the following actions: (i) offset the outstanding amount due against the Reserve Fund and/or Operational Account; (ii) stop forwarding plan premiums to the Carriers on or after that date, allowing coverage to lapse; and/or (iii) terminate this Agreement in accordance with the provisions of Section 15 (b) below. The Administrator may also assess interest, plus the costs of collection, including reasonable legal fees, when necessary to collect any amounts due. Administrator will in no event have the responsibility to advance premiums or other costs, and failure of Employer to pay amounts when due under any term of this Agreement may jeopardize coverage or other services or benefits.

(d) Contribution Reconciliation. The Administrator shall reconcile contribution amounts on a monthly basis.

(e) Federal Subsidies. Amounts received by the Administrator for retiree drug subsidy payments or other federal subsidies that are attributable to Retired Employees of the Employer shall be deposited into the Reserve Fund and/or Operational Account and accounted for separately. These amounts shall be used for the payment of premiums, costs, contributions, or other benefits to the extent consistent with the MMA and other applicable laws in Administrator's sole discretion. The Administrator may, in its sole discretion but only to the extent consistent with the MMA and other applicable laws, allocate these amounts among costs attributable to the Retired Employees of the Employer or the County or other employers, persons, or entities, or on a proportional basis if it is not possible or feasible to attribute amounts to specific Retired Employees or employers.

8. REIMBURSEMENT OF EXPENSES

(a) Payment of Expenses. The Administrator shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in conjunction with this Agreement, including, without limitation, all start-up costs incurred prior to or following execution of this Agreement.

(b) Invoices. The Administrator may furnish monthly invoices to the Employer for administration expenses, as reasonably determined by the Administrator in its sole and absolute discretion. Unless the Employer elects to pay the expenses directly no later than the 10th day of the month following receipt of the invoice, the Administrator shall pay the invoiced expenses from the Reserve Fund. The Administrator shall maintain adequate records of expenses incurred in administering the Plans, which records shall be subject to audit by the Employer upon written request. Administrator's costs may include start-up costs associated with this Agreement, including the negotiation and drafting of this Agreement.

(c) Premium Reserve. Separate and apart from the contribution for start-up costs described above, upon execution of this Agreement, the Employer shall deposit into the Reserve Fund the amount determined by Administrator in its sole discretion as a premium reserve in the manner determined by the Administrator. In the event that the Administrator determines in its sole and absolute discretion that additional amounts are needed for purposes of a premium reserve, it shall invoice Employer for such additional amounts, and Employer shall promptly pay such

additional amounts. The Administrator, in its sole and absolute discretion, may allocate these reserve amounts between the Employer and the County and other employers, persons, or entities, whether by a memorandum of understanding or by the Administrator's independent action.

9. **INFORMATION**

The Employer shall provide to the Administrator information reasonably requested by the Administrator to perform its duties and to calculate Premiums and expenses under this Agreement. The Administrator shall assume that all information provided to it by the Employer, a Retired Employee or a Retired Employee's eligible dependent is complete and accurate, and the Administrator is under no duty to question or verify the completeness or accuracy of such information. Employer shall review and reconcile reports and records of activity made available to Employer by Administrator, and shall promptly notify Administrator of any discrepancies.

10. **EXTERNAL REPORTING, COMPLIANCE AND TAXES**

The Employer assumes all responsibility for tax reporting relating to the Plans, including, without limitation, income withholding, and employer-based reporting, to the extent required. Administrator will provide Notices of Creditable Coverage and will cause carriers to provide Forms 1095-B. The Administrator shall provide assistance, based on information it may possess, with respect to the preparation of any tax return, report or other document required by any local, State or Federal government or agency thereof with respect to the Plans, and such assistance shall be treated as a reimbursable expense chargeable to the Operational Account. However, the ultimate responsibility for the preparation and the filing of any such document shall be that of that Employer or Carrier, as applicable, except as expressly provided in this section. It is Employer's responsibility to pay any fee or penalty arising from the Plans that is assessed by the Internal Revenue Service, the Department of Labor, and/or other federal or state governmental agencies, including, without limitation, any excise tax due under Code section 4980I.

11. **CONFIDENTIALITY**

Administrator shall maintain as confidential all information furnished, obtained or developed in respect to its services under this Agreement and as provided under applicable law, unless the person to whom such information pertains consents in writing to disclosure or unless disclosure is required or permitted by law. Legally permitted disclosure includes, without limitation, disclosure for verification purposes, for proper plan administration, pursuant to statute or court order for the production of evidence or the discovery thereof, or disclosure to an insurer, plan fiduciary or the Commissioner of Insurance.

12. **LIMITATION OF LIABILITY; INDEMNIFICATION**

(a) Administrator has no liability for its actions under this Agreement, except to the extent covered by insurance. Specifically, but without limitation, the assets of the Retirement Fund are not available and may not be used as source of payment or recovery for any amounts which may be alleged by any person or entity to be due under or in connection with this Agreement, the Administrator's acts or omissions under or in connection with this Agreement, or any claim or loss alleged to arise from or relate to this Agreement.

(b) Administrator may defend any action in which the Administrator is named and any reasonable expense incurred in such defense shall be a charge against the Reserve Fund and/or Operational Account.

(c) The Employer shall indemnify, defend, and hold the Administrator harmless against any loss (including first party losses by Administrator or third party losses claimed by others against Administrator), liability, claims, causes of action, suits (including but not limited to suits by Retired Employees), or expense of any and every kind (including but not limited to reasonable attorney's fees and defense costs, lien fees, judgments, fines, penalties, expert witness fees, appeals, and claims for damages of any nature whatsoever) not charged to the Reserve Fund or Operational Account, or covered by insurance, and imposed upon or incurred by the Administrator as a result of, arising out of, related to or in connection with (i) the performance of its duties or responsibilities under this Agreement, except to the extent that such loss, liability, suit or expense results or arises from the Administrator's own negligence, willful misconduct or material breach of this Agreement, (ii) without limiting the scope of Section 12(b)(i) of this Agreement, any conflicts of interest or other acts or omissions within the scope of Section 13 of this Agreement, or (iii) any acts taken or transactions effected in accordance with written directions from the Employer or any of its agents or any failure of the Administrator to act in the absence of such written directions to the extent the Administrator is authorized to act only at the direction of the Employer.

(d) For the purposes of this Section, determination of the Administrator's negligence, willful misconduct or material breach of this Agreement shall be made by a final judicial determination where all opportunities for appeal have been exhausted. Upon such a determination, the Administrator shall reimburse the Reserve Fund and/or Operational Account for any expenses previously charged to the Reserve Fund and/or Operational Account in defense of such conduct, and shall reimburse the Employer for any amounts previously paid to indemnify or defend the Administrator as a result of or arising from such conduct.

(e) The Administrator may purchase liability insurance covering the Administrator, its officers and employees, and the Operational Account shall pay the cost of such insurance.

13. CONFLICTS OF INTEREST

The Employer acknowledges and agrees that the Administrator and its Board of Retirement and Board of Investments (collectively, the "Boards") have a potential conflict of interest between and among performance of duties as or in connection with the functions of Administrator under this Agreement, its duties as Administrator of the County Plans, its duties to other employers or to any other person or entity for any reason, and the duties to and for the Retirement Fund. The Employer expressly waives any such potential conflict or any conflict that actually arises and agrees that any action that is required to fulfill the Administrator's lawful duties to the Retirement Fund or to the County, to others employer, or to any other person or entity for any reason (as reasonably determined by the Administrator in its sole and absolute discretion) will not constitute a breach of this Agreement or any duties otherwise owed by the Administrator to the Employer or Plan participants. Furthermore, the Employer acknowledges and agrees that, notwithstanding anything to the contrary in this Agreement, if such a conflict of interest actually arises and cannot

be eliminated, the Administrator may put the interests of the Retirement Fund above the interests of the Employer in performing its duties and obligations under this Agreement.

14. **ADVICE OF COUNSEL**

The Administrator may consult with and rely upon qualified legal counsel, including, without limitation, LACERA in-house counsel, with respect to the meaning and construction of this Agreement, of any provision hereof, or concerning its powers or obligations, including but not limited to its duties, hereunder. The Operational Account shall pay the cost of any such consultation.

15. **AMENDMENT AND TERMINATION**

(a) **Amendment.** The parties may not amend this Agreement, except by a written agreement that each party signs. Notwithstanding the foregoing, the Administrator may amend this Agreement without the consent of the Employer as needed to comply with any changes in applicable law, with 30 days' advance notice of any changes to Employer.

(b) **Termination.** This Agreement may be terminated for convenience by the Administrator or Employer at any time upon one hundred eighty (180) days written notice to the other party. Any assets remaining in the Reserve Fund and/or Operational Account upon termination of the Agreement shall be used solely to satisfy any obligation that the Employer may have related to this Agreement; provided, however, that any assets that remain in the Reserve Fund and/or Operational Account upon termination and after satisfaction of all of the Employer's obligations related to this Agreement shall revert to the Employer.

16. **MISCELLANEOUS**

(a) **Employer's Directions.** Directions by the Employer to the Administrator shall be in writing and signed by a person authorized to give directions on behalf of the Employer. Persons authorized to give directions to the Administrator on behalf of the Employer shall be identified to the Administrator by written notice from the Employer and such notice shall contain specimens of the authorized signatures. The Administrator shall be entitled to rely upon such written notice as evidence of the identity and authority of the persons appointed until a written cancellation of the appointment, or the written appointment of a successor, is received by the Administrator.

(b) **Electronic Communications.** Any direction required to be given in writing by this Agreement may be delivered electronically, provided that any such electronic direction shall comply with the digital signature requirements set forth in California Government Code section 16.5 (or any successor provision thereto) and the regulations issued thereunder.

(c) **Construction and Governing Law.** The parties intend, but Administrator does not guarantee, that any income of the Reserve Fund or Operational Account qualify for exemption from federal income tax under section 115(1) of the Code or as an integral part of the Employer. This Agreement shall be construed and administered consistent with this intent, and shall otherwise be construed, administered and enforced according to applicable laws of the State of California. If any provision is susceptible to more than one interpretation, the interpretation to be given is that which is consistent with the foregoing intent. It is Employer's sole responsibility and duty to

ensure compliance with all applicable laws and regulations, including, without limitation, COBRA, HIPAA, ACA and other applicable sections of the Code, and Administrator's provision of services under this Agreement does not relieve the Employer of its obligation to ensure compliance with applicable laws.

(d) Headings and Construction. Headings or subheadings are inserted for convenience of reference only and are not to be considered in the construction of the provisions of this Agreement. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

(e) Execution and Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one instrument, which may be sufficiently evidenced by any one counterpart.

(f) Gender. As used in this Agreement, the masculine gender shall include the feminine and neuter genders and the singular shall include the plural and the plural the singular as the context requires.

(g) Entire Agreement. This Agreement and any and all Exhibits, Schedules and Appendices attached hereto contain the final, complete, entire and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all other previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings and communications between the parties, relating to the subject matter of this Agreement.

(h) Severability. If any provision of this Agreement is held by any court to be void, illegal, invalid, or unenforceable, in whole or in part, the remaining terms and provisions will not be affected thereby, and each of such remaining terms and provisions of this Agreement will be valid and enforceable to the fullest extent permitted by law, unless a party shows by a preponderance of the evidence that the invalidated provision was an essential economic term of the agreement or that an essential purpose of this Agreement would be defeated by the loss of the void, illegal, invalid or unenforceable provision.

(i) Surviving Provisions. The provisions of this Agreement that expressly survive the termination of this Agreement, and other provisions which by their nature are intended to survive expiration of this Agreement or must survive to further the intent of the Agreement, including but not limited to Sections 12 and 13, will survive the expiration or termination of this Agreement.

(j) Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance.

(k) Notices All notices, requests, demands or other communications required or desired to be given hereunder or under any law now or hereafter in effect shall be in writing. Such notices shall be deemed to have been given one business day after delivery by facsimile with telephone confirmation of receipt, or by reputable overnight courier, or if delivered as permitted by Section 16(b), or three business days after being mailed by first class registered or certified mail, postage

prepaid, and addressed as follows (or to such other address as either party from time to time may specify in writing to the other party in accordance with this notice provision).

If to LACERA:

Chief Executive Officer
Los Angeles County Employees Retirement Association
300 N. Lake Avenue, Suite 620
Pasadena, CA 91101
Tel: (626) 564-6000

If to the Employer:

Paul Novak, AICP
Executive Officer
Local Area Formation Commission for the County of Los Angeles
80 South Lake Avenue, Suite 870
Pasadena, CA 91101
Tel: (626) 204-6500

With a copy to:

Office of County Counsel
500 West Temple, Suite 651
Los Angeles, CA 90012
Tel: (213) 974-4334

(l) Recitals Incorporated. The recitals set forth at the beginning of this document are incorporated in and made a part of the substantive terms of this Agreement.

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(m) Waiver. Failure by Employer to insist upon strict performance of any provision of this Agreement will not modify such provision, render it unenforceable, or waive any subsequent breach.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused it to be duly executed, as of the day and year first written above.

ADMINISTRATOR

By: _____
Robert Hill
Interim Chief Executive Officer,
LACERA

EMPLOYER

By: _____
Paul Novak, AICP
Executive Officer

Exhibit A

Plans and Carriers

Anthem Blue Cross

California

Anthem Blue Cross Plan I (WF20477-W)

Anthem Blue Cross Plan II (SF20477-P)

Anthem Blue Cross Plan III (SF20477-P)

Anthem Blue Cross Prudent Buyer (SF00037-P)

Outside California

Anthem Blue Cross Plan I (WF20477-W)

Anthem Blue Cross Plan II (WF20477-W)

Anthem Blue Cross Plan III (WF20477-W)

Cigna

Cigna Network Model Plan (3211348)

Cigna HealthSpring Preferred Rx – Phoenix, Arizona (3211348)

Cigna Dental HMO / Vision (3211348 – DHMO; 3211348 – VIS)

Cigna Indemnity Dental / Vision (3211348 – DPPO; 3211348 – VIS)

Kaiser Permanente

California

Kaiser Permanente Traditional Plan (Southern California: 101002; Northern California: 604657)

Kaiser Permanente Senior Advantage (Southern California: 101002; Northern California: 604657)

Outside California

Kaiser Permanente—Colorado (11178-001)

Kaiser Permanente—Georgia (3221-100)

Kaiser Permanente—Hawaii (34628-001)

Kaiser Permanente—Oregon (4310-001)

SCAN

SCAN Health Plan (105)

UnitedHealthcare

UnitedHealthcare Group HMO (Pre-65) (004238, 004239, 004240, 147243, 004241)

UnitedHealthcare Medicare Advantage HMO (Post-65) (004237)

Staff Report

November 15, 2017

Agenda Item No. 10.a.

Legislative Update

The Legislature concluded its 2017 Session on September 15, 2017, and subsequently forwarded all approved bills to Governor Brown.

Bills signed by Governor Brown, to take effect on January 1, 2018:

- **AB 464 (Gallagher):** This bill amends Government Code Section 56653 to address a holding (adverse to LAFCOs) in *City of Patterson v. Turlock Irrigation District*, concerning plans for services. **Commission Position: SUPPORT**
- **AB 979 (Lackey):** Amends 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). **Commission Position: SUPPORT**
- **AB 1725 (Assembly Local Government Committee):** The annual Omnibus Bill, which makes technical corrections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”). **Commission Position: SUPPORT**
- **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.” **Commission Position: NEUTRAL**
- **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.” **Commission Position: SUPPORT**

Staff Recommendation:

1. Receive and file the Legislative Report.

**LEGISLATIVE UPDATE FROM SACRAMENTO
CALAFCO ANNUAL CONFERENCE
October 27, 2017**

LAFCO-Related Bills

- AB 464 (Gallagher) – Makes changes to LAFCO statutes which govern changes of organization and reorganization, including annexation proceedings. **SIGNED - Chapter 43, Statutes of 2017.**
- AB 979 (Lackey) – Makes changes to the statutes which govern the independent special district selection committee and representation of special districts on LAFCOs. **SIGNED - Chapter 203, Statutes of 2017.**
- AB 1361 (E. Garcia) – Authorizes a municipal water district, until January 1, 2023, to apply to a LAFCO to extend water service to Indian lands and prohibits the LAFCO from denying the application. **SIGNED - Chapter 449, Statutes of 2017.**
- AB 1725 (Assembly Local Government Committee) – Annual Assembly Local Government Committee Omnibus bill that makes several minor noncontroversial changes to the Cortese-Knox-Hertzberg Act. **SIGNED - Chapter 353, Statutes of 2017.**
- SB 130 (Senate Budget and Fiscal Review Committee) – Provides a city that incorporated between January 1, 2004 and January 1, 2012 with property tax in lieu of vehicle license fees (VLF adjustment amount). **SIGNED - Chapter 9, Statutes of 2017.**
- SB 448 (Wieckowski) – Requires the State Controller to publish a list of inactive special districts and establishes a process for LAFCOs to dissolve inactive special districts. **SIGNED - Chapter 334, Statutes of 2017.**

Issues on Deck for Next Session

- Healthcare Districts
- Water

Contact Information

Misa Lennox
Principal Consultant
Assembly Local Government Committee
(916) 319-3958
Misa.Lennox@asm.ca.gov



CALAFCO Legislative Update

2017 Omnibus Bill (Assembly Bill No. 1725)

October 27, 2017



Omnibus Process

- CALAFCO Legislative Committee solicits suggested changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”) from all 58 LAFCOs
- Based upon problems or inconsistencies encountered throughout the year, individual LAFCO’s submit proposed amendments to the Act
- CALAFCO Legislative Committee evaluates proposed amendments
- CALAFCO submits a list of suggested amendments to staff of the Assembly Local Government Committee (ALGC)
- ALGC may also add items based upon requests from within State Government and other stakeholders
- ALGC staff vets all proposals, and the final language is also reviewed and analyzed by Legislative Counsel
- Draft Omnibus Bill is formulated, which ALGC staff sends out to a large number of stakeholders
- CALAFCO resolves any stakeholder objections, or remove the specific provision from the bill



Stakeholder Review

- American Planning Association (APA)
- Association of California Healthcare Districts (ACHD)
- Association of California Water Agencies (ACWA)
- California Association of Sanitation Agencies (CASA)
- California Building Industry Association (CBIA)
- California Farm Bureau Federation
- California Professional Firefighters (CPF)
- California Special Districts Association (CSDA)
- California State Association of Counties (CSAC)
- League of California Cities (League)
- Rural County Representatives of California (RCRC)
- Urban Counties of California
- Western Growers Association
- Staff (Assembly Local Government Committee Members, Senate Governance and Finance Committee, Assembly Republican Caucus, and Senate Republican Caucus)



Omnibus Bill Legislative Process (Highlights)

March 20	Bill Introduced
May 11	ALGC Approves
May 18	Assembly Approves
June 28	SGFC Approves
August 31	Appropriations Committee Approves
September 5	Senate Approves
September 28	Governor Signs
January 1 (2018)	Law Takes Effect



Support Letters

CALAFCO

Alameda LAFCO

Contra Costa LAFCO

El Dorado LAFCO

Fresno LAFCO

Imperial LAFCO

Los Angeles LAFCO

Mendocino LAFCO

Merced LAFCO

Nevada LAFCO

Orange LAFCO

Placer LAFCO

Riverside LAFCO

San Bernardino LAFCO

San Mateo LAFCO

Santa Clara LAFCO

Santa Cruz LAFCO

Solano LAFCO

Sonoma LAFCO

Stanislaus LAFCO

Yolo LAFCO

ACWA



Omnibus Provisions:

- Amended the definition of the term “contiguous” as follows:
56031.(a) “Contiguous” means territory that abuts or shares a common border with adjacent territory within a local agency.
(Submitted by Kai Luoma, Executive Officer, Ventura LAFCO)
- Added “detachment” to the list of LAFCO actions involving a health care district, and clarified the list of State agencies to which LAFCO must provide notice
56131.5 Upon the filing of an application for the formation of, annexation to, detachment from, consolidation of, or dissolution of a local health care district . . .
(Submitted by Carole Cooper, Assistant Executive Officer, Sonoma LAFCO)
- Changed the law relative to LAFCO authority to collect fees from applicants:
56383. (a) The commission may establish a schedule of fees line 4 and a schedule of service charges for the proceedings taken pursuant to this division, including, but not limited to, all of the following:
 - (1) Filing and processing applications filed with the commission.**
 - (2) Proceedings undertaken by the commission and any reorganization committee.**
 - (3) Amending or updating a sphere of influence.**
 - (4) Reconsidering a resolution making determinations.**

(Submitted by Steve Lucas, Executive Officer, Butte LAFCO)



Omnibus Provisions (continued):

- Clarified which agencies LAFCO is required to notice when a proposal is received, in order to be consistent with definitions elsewhere in the Act:
56658. (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.
(b) (1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each affected local agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory.

(Submitted by David Ruderman, Legal Counsel, Yuba LAFCO)



Postponed to the 2018 Omnibus Bill for Priority Consideration

- Redefine the definition of affected territory in Government Code Section 56015 *(submitted by Carole Cooper, Assistant Executive Officer, Sonoma LAFCO)*
- Amend the definition of “inhabited territory” in existing Government Code Section 56046 and add a definition of “uninhabited territory” in a new Government Code Section 56079.5 *(submitted by Paul Novak, Executive Officer, Los Angeles LAFCO)*
- Amend Government Code Section 56157 to clarify that protest hearing notice is not required to landowners within 300’ *(submitted by Mona Palacios, Executive Officer, Alameda LAFCO)*
- Amend existing Government Code Sections 56325 through 56335 and add new Section 56331.4 relative to appointment of LAFCO commissioners *(submitted by Paul Novak, Executive Officer, Los Angeles LAFCO)*
- Amend Government Code Section 56332 to clarify procedures for Independent Special District Selection Committees *(submitted by George Spiliotis, Executive Officer, Riverside LAFCO)*



Postponed to the 2017-2018 Omnibus Bill (continued)

- Amend Government Code Section 56375(o) to add “disincorporation” (in addition to “incorporation”) to empower a Commission’ to determine tax revenue allocations
(submitted by *Kathy Rollings-McDonald, Executive Officer, San Bernardino LAFCO*)
- Change “per capita assessed valuation” to “assessed valuation” in the list of factors in Government Code Section 56668(a) to be considered in evaluating a proposal
(suggested by *Michelle McIntyre, Analyst, Solano LAFCO*)



Thank You!

Misa Lennox, Associate Consultant, ALGC

LAFCOs – submitted amendments

LAFCOs – sent in support letters

CALAFCO Legislative Committee