



Local Agency Formation Commission
for the County of Los Angeles

Commission

Voting Members

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

Alternate Members

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

Staff

Paul A. Novak, AICP
Executive Officer

Amber De La Torre
Doug Dorado
Michael Henderson
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SPECIAL MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

June 14, 2017

Present:

Jerry Gladbach, Chair

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

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

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

Absent:

Janice Hahn

Marqueece Harris-Dawson, Alternate
Sheila Kuehl, Alternate

Vacant:

Voting City Member (formerly David Spence)

1 CALL MEETING TO ORDER

The meeting was called to order at 8:00 a.m. in Room 381-B of the County Hall of Administration by Chair Gladbach.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Gladbach.

Chair Gladbach announced that the Commission would observe a moment of silence in memory of Commissioner Spence.

Chair Gladbach thanked the Commission for having this special meeting at 8:00 a.m., instead of at the regular time of 9:00 a.m., as he needs to leave early to attend a funeral.

CS-1

The Commission convened in Closed Session to consider CS-1:

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

Helen Parker, Legal Counsel, announced that the Commission will go to Closed Session, as listed on the Agenda: CS-1, Public Employee Performance Evaluation (Government Code § 54957) Title: Executive Officer and Conference with Labor Negotiator: Designated Representative, Chair Gladbach and the Executive Officer, an Unrepresented Employee (Government Code § 54957.6).

Pursuant to Government Code § 54957 and § 54957.6, the Commission recessed to Closed Session at 8:02 a.m.

Present: Commissioners Barger, Brogin-Falley (Alt.), Close, Dear, Finlay, Gladbach, McCallum, Mitchell (Alt.), Ruzicka (Alt.), Smith, Helen Parker (Legal Counsel), Erik Conard (Legal Counsel).

Absent: Commissioners Hahn, Marqueece Harris-Dawson (Alt.), Kuehl (Alt.), Ryu.

[Commissioner Ryu arrived and joined the closed session at 8:16 a.m.]

The Commission reconvened from Closed Session at 8:52 a.m.

Present: Commissioners Barger, Brogin-Falley (Alt.), Close, Dear, Finlay, Gladbach, McCallum, Mitchell (Alt.), Ruzicka (Alt.), Ryu, Smith, Helen Parker (Legal Counsel), Erik Conard (Legal Counsel).

Absent: Commissioners Hahn, Marqueece Harris-Dawson (Alt.), Kuehl (Alt.).

Helen Parker, Legal Counsel, stated there was no reportable action under the Brown Act.

Chair Gladbach announced that he would be leaving today's meeting, and that First Vice-Chair Dear would conduct the remainder of the meeting.

[Chair Gladbach left at 8:53 a.m.]

First Vice-Chair Dear conducted the remainder of the meeting.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

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

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

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore-in five (5) members of the audience who planned to testify.

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

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of May 10, 2017.
- b. Approved Operating Account Check Register for the month of May 2017.
- c. Received and filed update on pending proposals.

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

7 PUBLIC HEARING(S)

None.

8 PROTEST HEARING(S)

None.

9 OTHER ITEMS

The following item was called up for consideration:

- a. Legislative Update.

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

Commissioner Close requested that the members of the audience who planned to testify speak to the precise issues before the Commission.

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The public hearing was opened to receive testimony.

Lynne Plambeck, President of the Santa Clarita Organization for Planning and the Environment (SCOPE), came before the Commission. Ms. Plambeck stated that she is a Board Member of the Newhall County Water District (NCWD) but she is not representing NCWD, as she is the minority Board Member who does not support the consolidation. Ms. Plambeck stated that she and the NCWD Board understands why the recommendation is for the Commission to change its position from an “opposed unless amended” position to a “neutral” position regarding SB 634. Ms. Plambeck stated that she still has concerns regarding SB 634 and that customers of the NCWD who have had objections to this consolidation have been obliterated through SB 634. Ms. Plambeck stated that she believes it is unconscionable to dissolve a 60-year old voting water district without the public having a say in the matter. Ms. Plambeck stated that she and her constituents remain concerned that the consolidation of the Newhall County Water District and Castaic Lake Water Agency (CLWA) leaves out the Valencia Water Company (VWC) and Los Angeles County Waterworks District No. 36 – Val Verde, by creating a “donut” within the new boundary of the two consolidated districts and VWC has 30,000 connections with no public oversight. SB 634 will allow the VWC to be included in the newly-formed boundary within six months. Ms. Plambeck stated that all of the reports on water supply are being conducted through VWC, and she believes that CLWA has been able to keep those reports secret because CLWA claims that VWC is a private entity. This should be addressed through the State Legislature.

Ms. Plambeck provided the Commission a fact sheet, “Frequently Asked Questions About the Financial Provisions of SB 634,” which was posted on the Castaic Lake Water Agency website stating that VWC is a private entity and that the Legislature does not have the right to force VWC to consolidate with NCWD and CLWA. Ms. Plambeck stated she previously provided the Commission with a purchase agreement of CLWA who took over VWC through eminent domain proceedings and that Valencia Water Company is still controlled by Lennar Corporation, a nationwide developer. If VCW does not get addressed in SB 634, VWC will still be controlled by a large corporation. Ms. Plambeck thanked Supervisor Barger for her concern in this matter as it relates to SB 634.

Maria Gutzeit (Board President, Newhall County Water District) came before the Commission. Ms. Gutzeit stated that she worked through a two-year process negotiating with Castaic Lake Water Agency, following previous disputes. NCWD has conducted extensive public outreach, public meetings, and e-mail communications to the public. Ms. Gutzeit stated that 14 of 15 members board members of the NCWD and the CLWA board support the consolidation. CLWA is a special act district, and State legislation is required to change the governing board structure resulting from the proposed consolidation. Ms. Gutzeit stated that the proposed consolidation between NCWD and CLWA will save rate-payers \$14 million over a 10-year period, and help secure State funding for watershed projects. Ms. Gutzeit stated that NCWD and CLWA have a common goal – to better manage water resources within the Santa Clarita Valley. Ms. Gutzeit

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stated she agrees with the staff recommendation to remove the “opposed unless amended” position relative to SB 634.

[Commissioner Brogin-Falley left at 9:10 a.m.]

Steve Cole (General Manager, Newhall County Water District) came before the Commission. Mr. Cole thanked LAFCO staff for working with NCWD. Mr. Cole stated he also agrees with the staff recommendation to remove the “opposed unless amended” position relative to SB 634.

Joseph Byrne (General Counsel, Castaic Lake Water Agency) came before the Commission. Mr. Byrne also thanked LAFCO staff for working with CLWA. Mr. Byrne clarified that VWC is a private water company. CLWA purchased VWC’s stock which was challenged by SCOPE. Recently, the court ruled in favor of the Castaic Lake Water Agency, holding that CLWA’s acquisition of Valencia Water Company was legal. Mr. Byrne stated that SB 634 clearly states that VWC will be included in the consolidation within six months of the newly-formed district.

Carmillis “Cam” Noltemeyer (Treasurer, Santa Clarita Organization for Planning and the Environment) came before the Commission. Ms. Noltemeyer stated that she is representing herself as a Valencia Water Company rate-payer. Ms. Noltemeyer requested that a change be made to the Minutes of May 10th meeting: change from “CLWA has received \$80 million in interfund loans.” to “CLWA was projected to make \$80 million in interfund loans.” Ms. Noltemeyer stated that CLWA has been taking 1% from the VWC rate-payers, and giving that 1% to developers under the facility capacity fee (a copy which was given to the Commissioners at last month’s meeting). Ms. Noltemeyer stated that she believes CLWA is robbing from the VWC rate-payers. Ms. Noltemeyer believes that CLWA has taken money away from the current rate payers to bail-out the developers. Ms. Noltemeyer stated that \$800,000 in VWC dividends is given to CLWA each year.

The E.O. stated that SB 634 is a bill which is sponsored by two water districts (CLWA and NCWD) rather than a bill which is sponsored by LAFCO. The Commission’s primary concern about SB 634 has been LAFCO’s role in the proposed consolidation, as reflected in a prior Commission communication to the Legislature and in prior staff reports. The E.O. stated that CLWA and NCWD representatives have worked diligently to address the Commission’s primary concern, as well as several technical issues in the language of SB 634. As a result of these discussions, Senator Wilk introduced a series of amendments to SB 634; significantly, these amendments now provide a role for LAFCO in reviewing an “application for conditions” in early 2018. Given the series of amendments, the E.O. recommended that the Commission withdraw its existing “Oppose Unless Amended” position and adopt a “Neutral” position.

First Vice-Chair Dear stated he has always taken a position that if two water agency board of directors agreed to consolidate, those agencies should be able to consolidate.

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

The Commission took the following actions:

- Withdrew the “OPPOSE UNLESS AMENDED” position on SB 634, and adopted a “NEUTRAL” position on SB 634, and directed staff to communicate this position in a letter to Senator Wilk, with copies provided to key members of the State Legislature and the Governor; and
- Received and filed the Legislative Report.

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

9 OTHER ITEMS

The following item was called up for consideration:

- b. Resolution Authorizing Participation in the Special District Risk Management Authority’s Property/Liability Program.

The E.O. summarized the staff report on Resolution Authorizing Participation in the Special District Risk Management Authority’s Property/Liability Program. The E.O. stated that participating in this program will create a cost savings of \$30,000. The E.O. noted that the written recommendation was to sign the Sixth Amended Joint Powers Agreement. After discussion, it was determined that this had already been done years ago, and it is no longer necessary, therefore the resolution was adjusted accordingly.

Commissioner Finlay asked what type of risk management training seminars does SDRMA conduct. The E.O. stated that SDRMA does have periodic training seminars once or twice a year.

In response to questions by Commissioner Ryu, the E.O. confirmed that this is an on-going cost savings and that there is no other funding source, and it is permanent.

The Commission took the following action:

- Approved and Adopted the Resolution Making Determinations, for the Resolution Authorizing Participation in the Special District Risk Management Authority's Property/Liability Program; Resolution No. 2017-24RMD; and
- Directed the Executive Officer to execute all appropriate resolutions and application forms required to secure property/liability insurance through the Special District Risk Management Authority (SDRMA).

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

10 COMMISSIONERS' REPORT

Commissioner Smith stated that he recently had a meeting with Wayne Avrashow (Forestar Group, Incorporated) who is the proponent and attorney for the Hidden Creeks Estates and Calabasas projects. Commissioner Smith noted this is informational only.

First Vice-Chair Dear noted that today is Flag Day.

ITEM 15 ADJOURNMENT MOTION was taken out of order:

IN MEMORY OF COMMISSIONER SPENCE

Commissioner Finlay stated that she had personally worked with David Spence since 1992, and his death is a huge loss, personally and professionally. Commissioner Finlay requested that the Commission adjourn today's meeting in his memory.

First Vice-Chair Dear stated that David Spence had County-wide influence, and it is a great loss to his colleagues and constituents.

Supervisor Barger stated David Spence was a happy person to the end, and he will be greatly missed. Supervisor Barger stated that it was Commissioner Spence's goal to have vector control services covered for the entire County, and LAFCO will continue to process the annexations for

the Cities of Baldwin Park, Vernon, Pasadena, and South Pasadena into a mosquito and vector control district, in memory of David Spence.

Commissioner Mitchell stated that this is the first meeting without Commissioner Spence, and that he will be greatly missed.

11 EXECUTIVE OFFICER'S REPORT

The E.O. noted that LAFCO received a letter from the Sativa County Water District (included in Agenda package). No action is required at this time. In October, it is tentatively scheduled for the Commission to review the Sphere of influence of the Sativa County Water District.

The E.O. also noted that the Commission was provided a copy of Adriana Romo's resume. Adriana Romo will start as new Deputy Executive Officer in mid-July. Mrs. Romo will be at the August Commission meeting.

The E.O. stated that the annexations of cities of Baldwin Park and South Pasadena into the San Gabriel Valley Mosquito and Vector Control District are tentatively scheduled for next month's meeting. The Out-of-Agency Service Agreement for the Greater Los Angeles County Vector Control District to provide services to the City of Vernon is tentatively scheduled for July or August.

12 PUBLIC COMMENT

None.

13 FUTURE MEETINGS

July 12, 2017
August 9, 2017
September 13, 2017
October 11, 2017

14 FUTURE AGENDA ITEMS

None.

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On motion of First Vice-Chair Dear, the meeting was adjourned at 9:26 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Novak".

Paul Novak, AICP, Executive Officer

RESOLUTION NO. 2017-24RMD
A RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES AUTHORIZING PARTICIPATION IN THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S PROPERTY/LIABILITY PROGRAM

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

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

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

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

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

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

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

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

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

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

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

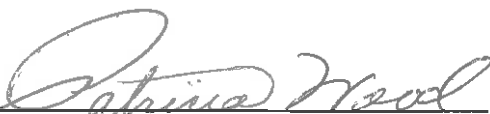
Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 14th day of June, 2017 by the following vote:


AYES: 8

NOES: 0

ABSENT: 2



Patricia Wood
Administrative Clerk



Paul A. Novak
Executive Officer