



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
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LOCAL AGENCY FORMATION COMMISSION MEETING AGENDA

Wednesday, April 11, 2018
9:00 a.m.

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

A person with a disability may contact the LAFCO office at (626) 204-6500 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at the LAFCO office and at www.lalafco.org.

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR GLADBACH**
3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**
4. **SWEARING-IN OF SPEAKER(S)**
5. **INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE**

- a. Annexation No. 2018-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley.

6. CONSENT ITEM(S)

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

- a. Approve Minutes of March 14, 2018 (Special Meeting) and Minutes of March 14, 2018 (Regular Meeting)
- b. Approve Operating Account Check Register for the month of March 2018.
- c. Receive and file update on pending proposals.
- d. Annexation No. 31 to the County Sanitation District No. 16 of Los Angeles County, and California Environment Quality Act (CEQA) exemption
- e. Annexation No. 753 to the County Sanitation District No. 21 of Los Angeles County, and California Environment Quality Act (CEQA) exemption.

7. PUBLIC HEARING(S)

- a. Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County, and Environmental Impact Report.
- b. Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency – Final Written Report, and California Environment Quality Act (CEQA) exemption.
- c. Proposed Draft Budget for Fiscal Year 2018-19.

8. PROTEST HEARING(S)

None.

9. OTHER ITEMS

None.

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.

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

May 9, 2018
June 13, 2018
July 11, 2018
August 8, 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

Staff Report

April 11, 2018

Agenda Item No. 5.a.

GOVERNMENT CODE § 56857 NOTICE (For Informational Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, Government Code Section 56857(a) requires the Executive Officer to place the proposal on its agenda for informational purposes only, and to transmit a copy of the proposal to any district to which annexation is requested. Pursuant to Government Code Section 56857(b), no more than 60 days after the meeting agenda date, the district to which annexation is being proposed may adopt and submit to the Local Agency Formation Commission ("LAFCO") a resolution requesting termination of the proceedings. The law requires that any such resolution requesting termination must be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern or the territory is already receiving electrical services under a service area agreement approved by the Public Utilities Commission. Prior to LAFCO's termination of proceedings the resolution is subject to judicial review as provided in Government Code Sections 56857(b) and (c).

LAFCO may not hear and consider the proposal until after the 60-day termination period has expired unless the district to which an annexation of territory is requested adopts and submits to LAFCO a resolution supporting the proposal.

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

Annexation 2018-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley

Description: City of Lancaster (landowner) filed an application to annex 15± acres of vacant land to Los Angeles County Waterworks District No 40, Antelope Valley. The project includes future construction of a homeless center.

Location: The project site is located northeast of the intersection of Avenue I and 32nd Street West, in the City of Lancaster.

The Executive Officer will transmit a copy of the proposal to the Los Angeles County Waterworks District No.40, Antelope Valley, as required by Government Code Section 56857(a).

Recommended Action
Receive and file.



Local Agency Formation Commission
for the County of Los Angeles

 **DRAFT**

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SPECIAL MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

March 14, 2018

Present:

Jerry Gladbach, Chair

Kathryn Barger
Donald Dear, First Vice-Chair
Margaret Finlay
Gerard McCallum

Judith Mitchell, Alternate
Joe Ruzicka, Alternate
Greig Smith, Alternate

Paul Novak, Executive Officer
Erik Conard, Legal Counsel

Absent:

Richard Close
Janice Hahn

Lori Brogin-Falley, Alternate
Marqueece Harris-Dawson, Alternate
Sheila Kuehl, Alternate

Vacant:

Voting Los Angeles City Member
Voting City Member

1 CALL MEETING TO ORDER

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

Chair Gladbach indicated that the Commission will conduct the “special meeting” first, followed by the “regular meeting” of March 14th.

Chair Gladbach recused himself from Closed Session Item (CS-1).

First Vice-Chair Dear conducted the special meeting.

CS-1

Erik Conard (Legal Counsel), in accordance with the Brown Act, announced that the Commission will go to Closed Session, as listed on the Agenda: CS-1, Conference with Legal Counsel – Anticipated Litigation (Paragraph (2) of subdivision (d) of Government Code § 54956.9). Significant exposure to litigation (one case). This matter involves comments received by LAFCO related to the Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency.

The Executive Officer announced that Closed Session Item CS-1 is for the Commission to discuss and review public comments received relating to Agenda Item 7.c. of the regular meeting of March 14th.

Pursuant to Government Code § 54956.9, the Commission recessed to Closed Session at 9:03 a.m.

No motion was made by the Commission.

Present: Commissioners Barger, Dear (First Vice-Chair), Finlay, Ruzicka (Alt. for Gladbach), and Smith; Erik Conard (Legal Counsel), Thomas Faughnan (Senior Assistant County Counsel), Lillian Salinger (Legal Counsel), and Carole Suzuki (Legal Counsel).

Absent: Commissioners Close, Hahn, McCallum, Mitchell (Alt. for Voting City Member), Brogin-Falley (Alt.), Marqueece Harris-Dawson (Alt.), and Kuehl (Alt.).

[Commissioners McCallum and Mitchell (Alt. for Voting City Member) arrived and joined Closed Session at 9:12 a.m.]

The Commission reconvened from Closed Session at 9:19 a.m.

Present: Commissioners Barger, Dear (First Vice-Chair), Finlay, McCallum, Mitchell

(Alt. for Voting City Member), Ruzicka (Alt. for Gladbach), and Smith; Erik Conard (Legal Counsel), Thomas Faughnan (Senior Assistant County Counsel), Lillian Salinger (Legal Counsel), and Carole Suzuki (Legal Counsel).

Absent: Commissioners Close, Hahn, Brogin-Falley (Alt.), Marqueece Harris-Dawson (Alt.), and Kuehl (Alt.).

Erik Conard (Legal Counsel) stated there was no reportable action under the Brown Act.

2 ADJOURNMENT MOTION

First Vice-Chair Dear adjourned the special meeting at 9:20 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer



Local Agency Formation Commission
for the County of Los Angeles

 **DRAFT**

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1st Vice-Chair

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REGULAR MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

March 14, 2018

Present:

Jerry Gladbach, Chair

Kathryn Barger
Donald Dear
Margaret Finlay
Gerard McCallum

Judith Mitchell, Alternate
Joe Ruzicka, Alternate
Greig Smith, Alternate

Paul Novak, Executive Officer
Erik Conard, Legal Counsel

Absent:

Richard Close
Janice Hahn
Lori Brogin-Falley, Alternate
Marqueece Harris-Dawson, Alternate
Sheila Kuehl, Alternate

Vacant:

Voting Los Angeles City Member
Voting City Member

1 CALL MEETING TO ORDER

The regular meeting was called to order at 9:20 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.

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.

Chair Gladbach stated that he did not receive a campaign contribution but indicated that he would recuse himself from Agenda Item 7.c.

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore-in eight (8) members of the audience who planned to testify.

The EO thanked Commissioner Dear for attending today's meeting despite his broken ankle.

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

- a. Reorganization No. 2016-33 to the City of Los Angeles (Detachment from the City of Los Angeles).
- b. Reorganization No. 2016-33 to the City of Los Angeles (Annexation to the Consolidated Fire Protection District of Los Angeles County, and the West Basin Municipal Water District).

The Commission took the following action:

- Received and Filed.

MOTION:	MITCHELL (ALT. FOR VOTING CITY MEMBER)
SECOND:	DEAR
AYES:	BARGER, DEAR, FINLAY, McCALLUM, MITCHELL (ALT. FOR VOTING CITY MEMBER), SMITH, GLADBACH

NOES: NONE
ABSTAIN: NONE
ABSENT: CLOSE, HAHN
MOTION PASSED: 7/0/0

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of February 14, 2018.
- b. Approved Operating Account Check Register for the month of February 2018.
- 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. 1085 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2018-05RMD.
- e. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 427 to the County Sanitation District No. 14 of Los Angeles County; Resolution No. 2018-06RMD.

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

7 PUBLIC HEARING(S)

The following item was called for consideration:

- a. Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County.

The EO noted that because staff was unable to locate the California Environmental Quality Act documentation in advance of the hearing, the recommendation is to continue the item to the Commission's next meeting.

The Commission took the following action:

- Continued Agenda Item 7.a., without prejudice, to the April 11, 2018 Commission Meeting.
MOTION: BARGER
SECOND: FINLAY
AYES: BARGER, DEAR, FINLAY, McCALLUM, MITCHELL
(ALT. FOR VOTING CITY MEMBER), SMITH, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: CLOSE, HAHN
MOTION PASSED: 7/0/0

7 PUBLIC HEARING(S)

The following item was called for consideration:

- b. Annexation No. 1079 to the Santa Clarita Valley Sanitation District of Los Angeles County.

The EO summarized the staff report on Annexation No. 1079 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. 1079 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2018-07RMD.
- Pursuant to Government Code Section 57002, set May 9, 2018, at 9:00 a.m. or at 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, time, and place for Commission protest proceedings.

MOTION: BARGER
SECOND: DEAR
AYES: BARGER, DEAR, FINLAY, McCALLUM, MITCHELL
(ALT. FOR VOTING CITY MEMBER), SMITH, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: CLOSE, HAHN

MOTION PASSED: 7/0/0

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

9 OTHER ITEMS

The following item was called up for consideration:

a. Vector Control Update & Potential Fee Waiver or Reduction.

The EO summarized the staff report on the Vector Control Update & Potential Fee Waiver or Reduction.

The EO indicated that Mitchel Weinbaum (General Manager, Compton Creek Mosquito Abatement District) is present at today's meeting. Truc Dever (General Manager, Greater Los Angeles County Vector Control District) submitted a letter requesting a fee waiver.

The Commission took the following action:

- Received and filed the Vector Control Update.

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

Mr. Weinbaum came before the Commission. He stated that the Compton Creek Mosquito Abatement District (District) has a limited budget. He noted that \$79,400 (total fees include LAFCO, County of Los Angeles Assessor, and State Board of Equalization), as indicated in yellow column of the Vector Control Boundary Adjustment Program chart (Chart), included in the Agenda package, is nearly twenty-five percent (25%) of the District's budget. Mr. Weinbaum asked the Commission to consider waiving the fees as a benefit to everyone in the County of Los Angeles.

Commissioner Finlay asked what does the District charge per parcel for vector control services. Mr. Weinbaum indicated that the District receives approximately \$3.00 in ad valorem taxes and approximately \$9.00 in a per parcel benefit assessment. The District receives approximately \$337,000 in total taxes per year.

Commissioner Finlay asked Mr. Weinbaum how many parcels are within the District boundaries. Mr. Weinbaum stated that there are 23,000 parcels within the District boundaries and indicated

that he is the only full-time employee of the District. During the summer months, the District hires a part-time temporary staff person to aid in spray applications for mosquitos.

Commissioner Barger stated that it's a priority for the entire County of Los Angeles to be within a vector control district.

Commissioner Dear asked the EO if the Commission waives the LAFCO fees entirely for the vector control districts, would it be a detriment to LAFCO's budget. The EO indicated that \$20,000 to \$40,000 in LAFCO fees is a relatively modest impact on LAFCO's budget of \$1.4 million.

Commissioner Dear indicated that he supports the 100% LAFCO fee waiver.

Commissioner McCallum indicated that he supports the 100% LAFCO fee waiver with a letter addressed to the vector control districts indicating this is an extreme case.

Chair Gladbach thanked the vector control districts and the EO for working together to identify and eliminate "service gaps" that are not within a vector control district located in the County of Los Angeles.

The EO indicated that Commissioner Hahn was not able to attend today's meeting, as she is attending a funeral. The EO stated that Commissioner Hahn voiced her support to waive LAFCO fees at the last month's meeting.

Mr. Weinbaum thanked the Commission for waiving the LAFCO fees entirely.

The Commission took the following action:

- Found that the payments of fees associated with future proposals from vector control districts (limited to those future proposals specifically identified in the "Vector Control District Adjustment Program" chart) would be detrimental to the public interest, consistent with LAFCO's adopted Fee Waiver Policy and Government Code Section 56383(d); and
- With respect to future proposals from vector control districts, directed the Executive Officer to collect fees pursuant to the "LAFCO Fee Waiver 100%" tabulation, as shown in blue in the Vector Control Boundary Adjustment Program chart and waive the requirement that said waiver request(s) be filed in writing; and
- Directed the Executive Officer to draft a letter to the vector control districts indicating this is an extreme case for supporting the waiver entirely.

MOTION:	McCALLUM
SECOND:	DEAR
AYES:	BARGER, DEAR, FINLAY, McCALLUM, MITCHELL

(ALT. FOR VOTING CITY MEMBER), SMITH, GLADBACH
NOES: NONE
ABSTAIN: NONE
ABSENT: CLOSE, HAHN
MOTION PASSED: 7/0/0

Chair Gladbach indicated that the Commission will move to Agenda Item 7.c.

As indicated earlier, Chair Gladbach recused himself from Agenda Item 7.c.

First Vice-Chair Dear conducted the meeting for Agenda Item 7.c.

7 PUBLIC HEARING(S)

The following item was called for consideration:

- c. Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency (“SCV Water” or “Agency”) – Draft Written Report.

The EO summarized the staff report on the Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency (“SCV” Water” or “Agency”) – Draft Written Report.

The EO indicated that after the agenda posted, staff received additional correspondence from: Matthew Stone (General Manger, SCV Water) on March 8th; Stacy Fortner on March 8th; Ed and Joan Dunn on March 11th; and Dean Wallraff (Advocates for the Environment) on March 11th. The EO noted that the Commissioners received the mentioned correspondences by e-mail and were provided hard copies at today’s meeting. In addition, staff received an e-mail yesterday (March 13th) from the Santa Clarita Organization for Planning and the Environment (SCOPE) with an attached letter dated March 12th. Commissioners were provided a hard copy of the correspondence at today’s meeting.

The public hearing was opened to receive testimony.

Carmillis “Cam” Noltemeyer came before the Commission. Ms. Noltemeyer indicated that she is speaking as a former Valencia Water Company (VWC) ratepayer. She provided LAFCO staff copies of handouts for each of the Commissioners. Ms. Noltemeyer believes that there are several errors in the debt service for the former Castaic Lake Water Agency (CLWA) and VWC. She stated that the Facility Capacity Fees and Interfund Loans should be added to CLWA’s debt. Those interfund loans are from the one-percent (1%) property tax revenue and no further loans should be allowed. Ratepayers are opposed to rate increases. She believes that CLWA was hiding the acquisition loan of VWC through “back room” meetings. Ms. Noltemeyer indicated that it appears litigation is the only solution for former VWC ratepayers.

Mr. Stone came before the Commission. Mr. Stone stated that he submitted written comments regarding the Proposed Conditions. Mr. Stone indicated that he is requesting to extend the

Memorandum of Understanding (MOU) deadline of twelve (12) months from the effective date, as indicated in Condition No. 6, to January 1, 2021.

Mr. Stone responded to the SCOPE letter, dated March 12th, requesting a condition be added to the Proposed Conditions that all water wells levels and production of each water well be listed on the Santa Clarita Valley Water Agency website. Mr. Stone indicated that water well levels are detailed in annual water reports and through groundwater management agencies.

[Commissioner Barger left at 9:55 a.m.]

Tom Bunn (Co-Counsel, SCV Water) came before the Commission. Mr. Bunn indicated that during last month's meeting, a question was asked about LAFCO's authority concerning water supply. A "Memorandum to LAFCO Commissioners" dated February 20, 2018, indicated that LAFCO does not have authority over water supply. Mr. Bunn responded to SCOPE's letter dated March 12th, requesting a condition be added to the Proposed Conditions to annex the Mission tract and other areas shown in white on a map included in the said letter of March 12th. Mr. Bunn stated that those areas are already receiving retail water service and within the boundaries of the new agency (SCV Water) as established by the State Legislature, and that no annexation is required.

Mr. Bunn referred to correspondence received (one is a letter dated March 12th, submitted by SCOPE, and the second is an e-mail dated March 11th from Ed and Joan Dunn) relative to California Environmental Quality Act (CEQA) concerns. Mr. Bunn believes these communications create the incorrect assumption that LAFCO is approving the consolidation. LAFCO is not approving the consolidation. The consolidation, which has already occurred, was accomplished through an action of the Legislature, and as a legislative act, it is not subject to CEQA. Mr. Bunn indicated that if Commissioners have questions about CEQA, Charity Schiller (SCV Water) is available to answer questions.

Maria Gutzeit (Vice President, SCV Water) came before the Commission. She thanked the Commission for facilitating this historic consolidation that unifies and modernizes water management in the Santa Clarita Valley. Ms. Gutzeit stated that this consolidation will save customers \$13 million over 10 years and will reduce "water wars" in the Santa Clarita Valley.

First Vice-Chair Dear asked if Joe Byrne (Co-Counsel, SCV Water), and both Charity Schiller and Steve Cole of SCV Water would like to come before the Commission. They said "no". First Vice-Chair Dear thanked them for being available.

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

Lynne Plambeck (Board Member, SCV Water) came before the Commission. Ms. Plambeck stated that she was speaking on behalf of herself, personally, not as a Board Member of SCV Water or as a SCOPE representative. Ms. Plambeck stated that she strongly opposed the consolidation of the Castaic Lake Water Agency and the Newhall County Water District (NCWD) into a new successor agency (SCV Water).

Ms. Plambeck stated that the areas shown in white (map was included in the letter dated March 12th from SCOPE) have been completely avoided. She stated that she understands how this consolidation can be better for water management resources in the Santa Clarita Valley, but believes the consolidation allows for huge developments to be approved without adequate review. The areas shown in white on the map are automatically within the boundaries of SCV Water and benefit a large developer within the Santa Clarita Valley. Ms. Plambeck is requesting a review of the 524 service connections outside the Sphere of Influence boundaries of SCV Water, as identified in Condition No. 7. Ms. Plambeck requested a revision to Condition No. 19, noting that ten (10) days is not adequate time for noticing rate increases.

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

Staff gave copies of the "LAFCO Reply to Applicant-Requested changes in the Proposed Conditions" to the Commission, and copies were made available to the audience. The EO indicated that the Applicant submitted a letter requesting thirteen (13) changes to the Proposed Conditions. The EO noted that he had no objections to eleven (11) of the thirteen (13) requested changes. Condition No. 6 indicates that a Memorandum of Understanding (MOU) be entered with LAFCO for the preparation of a Municipal Service Review (MSR) within one (1) year of the effective date of these conditions. The Applicant is requesting a MOU be entered with LAFCO by January 1, 2021. The EO stated that cooperating with LAFCO relative to the preparation of a MSR is not a great imposition to the new agency. In Condition No. 8, the Applicant requested to add "pursuant to the requirements of the California Public Records Act". The EO stated that irrespective of the Public Records Act requirements, staff believes that all board-member compensation and expense reimbursement should be disclosed.

The EO stated that he agrees to include a revision to Condition No.19, as requested by Ms. Plambeck.

The EO requested that the Commission review the requested corrections by the Applicant and other requests made by the public.

Commissioner Mitchell expressed support for increasing the time from "ten (10) days" to "thirty (30) days" in Condition No.19.

Commissioner Mitchell asked the EO to comment regarding the interfund loans. The EO indicated that he does not have detailed information and would request that the Applicant give testimony regarding interfund loans.

Mr. Stone stated that the concept of a interfund loan is a debt service issued for Capital Improvement Projects (CIP). There is more than one source of funding (a portion of the one-percent (1%) property tax revenue, and Facility Capacity Fees charged to developers) to pay off CIP debt service. When the two revenue sources, previously mentioned, do not cover the debt service, the difference is made up and tracked by an interfund loan. Later, fees are increased to pay back the interfund loan. For tracking purposes, it is noted as a interfund loan. The debt is to the Agency. Commissioner Mitchell asked if interfund loans are included in audited budgets.

Mr. Stone said “yes”.

Commissioner Mitchell noted that the handouts provided by Ms. Noltemeyer indicated that VWC has nearly \$90 million in debt due to a interfund loan. Mr. Stone stated that the acquisition of VWC involved the former CLWA which purchased the stock of VWC, and VWC is now dissolved into the new agency (SCV Water). Ratepayers do not pay for that acquisition, and it is tracked as a loan that VWC pays back through divisional accounting. Mr. Stone stated that there is an implication that this is secretive, but the interfund loan is disclosed as public information. Commissioner Mitchell asked when did this acquisition of VWC occur. Mr. Stone stated that the acquisition occurred in 2012. Each retail division has separate accounting for its legacy debt: VWC, Santa Clarita Water Division, and NCWD. Commissioner Mitchell asked if the legacy debts are separate liabilities. Mr. Stone said “yes”.

Mr. Stone requested that the wording be revised and remove “upon request” in Condition No. 18. SCV Water has no issues regarding providing board-member compensation and expenses but for the Commission to include language regarding a timing requirement. The EO indicated that he will revise the language in Condition No. 18, accordingly. Commissioner Mitchell stated that she agrees to this change as document requests can be voluminous.

Commissioner Mitchell asked the EO if there are any other requested corrections to the Proposed Conditions. The EO said “yes”. In Condition No. 6, the EO stated that the Applicant requested that the Agency enter into a MOU for the preparation of a MSR within 12 months of these conditions of the Commission action (presuming it’s at next month’s meeting) be revised to reflect “by January 1, 2021”. The EO stated that he recommends that the Commission retain the condition as staff proposed. Commissioner Mitchell expressed her support to keep the recommendation as staff proposed.

The EO requested direction from the Commission regarding the first recommendation proposed by SCOPE in its letter dated March 12th. Commissioner Mitchell expressed her support for an additional condition to require well water levels and capacity be listed on the Agency’s website.

Commissioner Mitchell stated that no action is needed regarding the second recommendation requested in the SCOPE letter dated March 12th, as the territory is already within the new Agency’s boundaries, and it is already defined by SB 634.

Commissioner McCallum agreed that the EO should add a condition pertaining to well water levels and capacity.

The Commission took the following actions:

- Received and filed the Written Report/Staff Report, including Attachments “A” through “G”;
- Directed the Executive Officer to retain the language (no revisions) to Condition No. 6 of the “LAFCO Reply to Applicant-Requested changes in the Proposed Conditions”;

- Directed the Executive Officer to revise the Proposed Conditions as noted in, “LAFCO Reply to Applicant-Requested changes in the Proposed Conditions”, as follows:
 - Condition No. 2;
 - Condition No. 3;
 - Condition No. 4;
 - Condition No. 5;
 - Condition No. 9;
 - Condition No. 16.D.;
 - Condition No. 16.E.;
 - Condition No. 16.K.;
 - Condition No. 16.P.;
 - Condition No. 16.R.;
- Directed the Executive Officer to revise Condition No. 18 (revision of the timing language);
- Directed the Executive Officer to revise Condition No. 19 (revision from “ten (10) days” to “thirty (30) days”; and
- Directed the Executive Officer to add a condition (Condition No. 16.S.) regarding well water levels and capacity to be listed on the Santa Clarita Valley Water Agency website.

MOTION: MITCHELL (ALT. FOR VOTING CITY MEMBER)
SECOND: McCALLUM
AYES: FINLAY, McCALLUM, MITCHELL (ALT. FOR VOTING CITY MEMBER), RUZICKA (ALT. FOR GLADBACH), SMITH, DEAR (FIRST VICE-CHAIR)
NOES: NONE
ABSTAIN: NONE
ABSENT: BARGER, CLOSE, HAHN
MOTION PASSED: 6/0/0

Chair Gladbach returned at 10:27 a.m.

Chair Gladbach conducted the remainder of the meeting.

8 PROTEST HEARING(S)

None.

9 OTHER ITEMS

The following item was called up for consideration:

b. LAFCO Legal Services Update.

The EO summarized the staff report on the LAFCO Legal Services Update.

Thomas Faughnan (Senior Assistant County Counsel) stated that he was a LAFCO advisor between 1999-2011 and continues to supervise LAFCO's legal services in the Office of County Counsel. As the Commission was informed at last month's meeting, both Helen Parker (retiring after 37 years with County Counsel) and Erik Conard (who is leaving County Counsel for employment in the private sector) will no longer advise LAFCO. The Commission was introduced to Lillian Salinger (County Counsel) who will be a new member of LAFCO's legal team. Mr. Faughnan also introduced Carole Suzuki (County Counsel) who will also be a member of LAFCO's legal team. Mr. Faughnan stated that he looks forward to working with LAFCO staff and LAFCO's new legal team: Ms. Salinger and Ms. Suzuki. Mr. Faughnan noted that he will be LAFCO's legal advisor at LAFCO's next meeting in April.

Chair Gladbach welcomed Ms. Salinger and Ms. Suzuki to LAFCO's legal team.

Chair Gladbach thanked Ms. Parker for her years of service as LAFCO's legal advisor, he wished her well in retirement.

Chair Gladbach thanked Mr. Conard for his years of service, and he wished Mr. Conard well in his new employment in the private sector.

10 LEGISLATION

The following item was called up for consideration:

a. Legislative Update.

The EO stated that the written staff report on the Legislative Update identified existing and potential bills which may impact LAFCO. The EO was available to answer any questions the Commission may have. The Commission did not have any questions.

The Commission took the following action:

- Received and filed the Legislative Report.

MOTION:	FINLAY
SECOND:	DEAR
AYES:	DEAR, FINLAY, McCALLUM, MITCHELL (ALT. FOR VOTING CITY MEMBER), SMITH, GLADBACH

NOES: NONE
ABSTAIN: NONE
ABSENT: BARGER, CLOSE, HAHN
MOTION PASSED: 6/0/0

11 MISCELLANEOUS CORRESPONDENCE RECEIVED

None.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

None.

14 PUBLIC COMMENT

None.

15 FUTURE MEETINGS

April 11, 2018

May 9, 2018

June 13, 2018

July 11, 2018

16 FUTURE AGENDA ITEMS

None.

17 ADJOURNMENT MOTION

In honor of North Wood, Patricia Wood's (LAFCO Administrative Clerk) husband who recently passed away, on motion of Commissioner Dear, seconded by Commissioner Mitchell, the meeting was adjourned at 10:37 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

1:59 PM

04/02/18

Accrual Basis

LAFCO 03
Register Report
March 2018

6.b.

Type	Date	Num	Name	Amount	Balance
10000 Cash Unrestricted					
10003 Operating Account					
Check	03/02/2018	ADP	ADP	-149.30	-149.30
Bill Pmt -Check	03/05/2018	8721	Office Depot*	-168.53	-317.83
Bill Pmt -Check	03/05/2018	8722	ATT	-234.35	-552.18
Bill Pmt -Check	03/05/2018	8723	Bank of America*	-583.28	-1,135.46
Bill Pmt -Check	03/05/2018	8724	Charter Communications	-670.50	-1,805.96
Bill Pmt -Check	03/05/2018	8725	Daily Journal	-21.24	-1,827.20
Bill Pmt -Check	03/05/2018	8726	LACERA	-12,684.51	-14,511.71
Bill Pmt -Check	03/05/2018	8727	Promac Image Systems	-188.48	-14,700.19
Bill Pmt -Check	03/05/2018	8728	TRPF 80 South Lake LP.	0.00	-14,700.19
Bill Pmt -Check	03/05/2018	8729	Wells Fargo	-383.25	-15,083.44
Check	03/15/2018	8731	Registrar-Recorder/County Cl...	-75.00	-15,158.44
Check	03/15/2018	8732	Registrar-Recorder/County Cl...	-75.00	-15,233.44
Check	03/15/2018	DD	Michael Henderson	-2,207.44	-17,440.88
Check	03/15/2018	DD	Ambar De La Torre	-1,870.18	-19,311.06
Check	03/15/2018	DM	Douglass Dorado	-2,804.53	-22,115.59
Check	03/15/2018	DD	Patricia Knoebi-Wood	-1,421.70	-23,537.29
Check	03/15/2018	DD	Paul Novak	-5,030.10	-28,567.39
Check	03/15/2018	DD	Alisha O'Brien	-2,181.79	-30,749.18
Check	03/15/2018	DD	Adriana Romo	-3,090.03	-33,839.21
Check	03/15/2018	DM	Federal Tax Deposit	-4,071.85	-37,911.06
Check	03/15/2018	DM	State Income Tax	-1,219.82	-39,130.88
Check	03/16/2018	ADP	ADP	-128.95	-39,259.83
Bill Pmt -Check	03/21/2018	8733	Certified Records Managment	-463.48	-39,723.31
Bill Pmt -Check	03/21/2018	8734	CoreLogic	-28.80	-39,752.11
Bill Pmt -Check	03/21/2018	8735	County Counsel	-2,523.63	-42,275.74
Bill Pmt -Check	03/21/2018	8736	Daily Journal	-290.00	-42,565.74
Bill Pmt -Check	03/21/2018	8737	FedEx	-112.39	-42,678.13
Bill Pmt -Check	03/21/2018	8738	LACERA-OPEB	-1,946.33	-44,624.46
Bill Pmt -Check	03/21/2018	8739	MetLife*	-528.00	-45,152.46
Bill Pmt -Check	03/21/2018	8740	Office Depot*	-331.52	-45,483.98
Bill Pmt -Check	03/21/2018	8741	Platinum Consulting	-2,565.00	-48,048.98
Bill Pmt -Check	03/21/2018	8742	Tel-Power Inc	-170.00	-48,218.98
Bill Pmt -Check	03/21/2018	8743	The Lincoln National	-265.48	-48,484.46
Bill Pmt -Check	03/21/2018	8744	Tropical Interior Plants	-100.00	-48,584.46
Check	03/27/2018	8745	TRPF 80 South Lake LP.	0.00	-48,584.46
Check	03/30/2018	ADP	ADP	-26.62	-48,611.08
Check	03/30/2018	ADP	ADP	-146.75	-48,757.83
Check	03/30/2018	DD	Ambar De La Torre	-1,870.18	-50,628.01
Check	03/30/2018	DM	Douglass Dorado	-2,804.53	-53,432.54
Check	03/30/2018	DD	Michael Henderson	-2,207.43	-55,639.97
Check	03/30/2018	DD	Patricia Knoebi-Wood	-1,456.47	-57,096.44
Check	03/30/2018	DD	Paul Novak	-5,030.10	-62,126.54
Check	03/30/2018	DD	Alisha O'Brien	-2,181.78	-64,308.32
Check	03/30/2018	DD	Adriana Romo	-3,128.57	-67,436.89
Check	03/30/2018	DM	Federal Tax Deposit	-4,071.88	-71,508.77
Check	03/30/2018	DM	State Income Tax	-1,219.82	-72,728.59
Check	03/30/2018	DM	Federal Tax Deposit	-142.09	-72,870.68
Check	03/30/2018	319...	Kathryn Barger	-134.08	-73,004.76
Check	03/30/2018	DD	Donald Dear*	-138.53	-73,143.29
Check	03/30/2018	319...	Margaret E. Finlay	-138.53	-73,281.82
Check	03/30/2018	319...	Edward G. Gladbach	-138.52	-73,420.34
Check	03/30/2018	319...	Judith Mitchell	-138.52	-73,558.86
Check	03/30/2018	DD	Gerard McCallum II	-138.53	-73,697.39
Check	03/30/2018	319...	Greig L. Smith	-138.52	-73,835.91
Total 10003 Operating Account				-73,835.91	-73,835.91
Total 10000 Cash Unrestricted				-73,835.91	-73,835.91
TOTAL				-73,835.91	-73,835.91

AGENDA ITEM NO. 6c - April 11, 2018						
PENDING PROPOSALS AS OF April 2, 2018						
		LAFCO Designation	Applicant	Description	Status	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 Havenim/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	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
12	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
13	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
14	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
15	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Carmichael Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown
16	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
17	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
18	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
19	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.	Protest hearing, May 9, 2018	10/11/2017	May-2018
20	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.	Agenda, March 14, 2018	10/11/2017	Apr-2018
21	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.	Agenda, April 11, 2018	11/6/2017	Jun-2018
22	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.	Agenda, March 14, 2018	11/6/2017	Apr-2018
23	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 Schuergen Road, in the unincorporated area north of Malibu	Notice of Filing Sent 11-30-17 Incomplete Filing: property tax transfer resolution, approved map and legal	11/8/2017	Unknown
24	AD	Annexation 31 to District No. 16	Sanitation Districts	0.51 acres of uninhabited territory. The affected territory is generally located on the southwest corner of Villa Highlands Drive and Sierra Madre Villa, all within unincorporated Los Angeles County.	Agenda, April 11, 2018	11/8/2017	May-2018
25	AD	Annexation No. 753 to District No. 21	Sanitation Districts	0.42 acres of uninhabited territory. The affected territory is generally located on Glen Way approximately 800 feet north of Baseline Road, all within the unincorporated Los Angeles County.	Agenda, April 11, 2018	11/8/2017	May-2018

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
26	AD	Annexation 298 to District No. 15	Sanitation Districts	4.01 acres of uninhabited territory. The affected territory is generally located on Del Valle Avenue west of the terminus of Mentz Street, all within the City of La Puente.	Notice of Filing Sent 01-04-18 Incomplete filing; property tax transfer resolution.	1/3/2018	Unknown
27	AD	Annexation 754 to District No. 21	Sanitation Districts	0.4 acres of uninhabited territory. The affected territory is located on Padua Avenue approximately 100 feet south of Alamosa Drive, all within the City of Claremont.	Notice of Filing Sent 01-04-18 Incomplete filing; property tax transfer resolution.	1/3/2018	Unknown
28	AD	Annexation 755 to District No. 21	Sanitation Districts	2.5 acres of uninhabited territory. The affected territory is located on Via Padova approximately 400 feet west of Mt. Baldy Road, all within unincorporated Los Angeles County.	Notice of Filing Sent 01-04-18 Incomplete filing; property tax transfer resolution.	1/3/2018	Unknown
29	AOB	Application for Conditions No. 2018-01	Santa Clarita Water Agency	123,366 acres of inhabited territory in the northwestern portion of Los Angeles County. The majority of the territory lies within the City of Santa Clarita or portions of unincorporated Los Angeles County. Major thoroughfares traversing the territory include the SR-14, 126 and I-5 freeways.	Final Report on April 11, 2018	1/30/2018	
30	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1087	Sanitation Districts	0.311 acres of uninhabited territory. The affected territory is located on the northeast corner of Ferguson Drive and Cherry Drive, all within the unincorporated area of Los Angeles County.	Notice of Filing Sent 2-15-18 Incomplete filing; property tax transfer resolution.	2/13/2018	Unknown
31	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1088	Sanitation Districts	6.796 acres of uninhabited territory. The affected territory is located on Sierra Highway approximately 600 feet south of Quinn Drive, all within unincorporated Los Angeles County.	Notice of Filing Sent 2-15-18 Incomplete filing; property tax transfer resolution.	2/13/2018	Unknown
32	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1090	Sanitation Districts	0.58 acres of uninhabited territory. Located on Sierra Highway approximately 150 feet south of Sand Canyon Road, all within unincorporated Los Angeles County.	Notice of Filing Sent 2-15-18 Incomplete filing; property tax transfer resolution.	2/13/2018	Unknown
33		Reorganization No. 2016-33 to the City of Los Angeles	County of Los Angeles	1.34 acres of uninhabited territory located east of the intersection of W 116th St and Isis Avenue in the City of Los Angeles.	Notice of Filing Sent 2-15-18 Incomplete filing; property tax transfer resolution, ceqa, party disclosure, and approved map and legal	2/3/2018	Unknown
34	DD	Annexation 757 to District No. 21	Sanitation Districts	0.566 acres of uninhabited territory. The affected territory is located on the southeast corner of Mountain Avenue and Sage Street, all within the unincorporated Los Angeles County.	Notice of Filing Sent 03-07-18 Incomplete filing; property tax transfer resolution.	3/7/2018	Unknown
35	AD	Annexation 428 to District No. 22	Sanitation Districts	1.67 acres of uninhabited territory. The affected territory is located on Crestglen Road approximately 300 feet east of Vista Bonita Avenue, all within the City of Glendora.	Notice of Filing Sent 03-22-18 Incomplete filing; property tax transfer resolution.	3/21/2018	Unknown
36		Annexation 297 to District No. 15	Sanitation Districts	13.88 acres of uninhabited territory. The affected territory is located on the southwest corner of Loukelton Street and Echelon Avenue, all within the City of Industry.	Notice of Filing Sent 03-22-18 Incomplete filing; property tax transfer resolution.	3/21/2018	Unknown
37		Annexation No. 2018-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley	City of Lancaster	15 acres of uninhabited territory. The affected territory is located at the northeast corner of Avenue I and 32nd Street West, in the City of Lancaster.	Notice of Filing sent 4-2-18 Incomplete filing; property tax transfer resolution, resolution to indicate, CEQA, party disclosure, landowner consent.	3/27/2018	Unknown

Staff Report

April 11, 2018

Agenda Item No. 6.d.

Annexation No. 31 to the County Sanitation District No. 16 of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	0.51± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	County Sanitation District No. 16 of Los Angeles County
Resolution or Petition:	October 25, 2017
Application Filed with LAFCO:	November 8, 2018
Location:	The affected territory is located on the southwest corner of Villa Highlands Drive and Sierra Madre Villa Avenue.
City/County:	Los Angeles County unincorporated territory (Pasadena).
Affected Territory:	The affected territory is residential. The territory consists of one existing single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential.
Landowner:	Peter A. Sabido
Registered Voters:	1 registered voters as of April 12, 2017.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes.
Waiver of Notice/Hearing/Protest:	Yes.

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) because the annexation area consists of existing structures developed to the density allowed by the current zoning. A Categorical Exemption was adopted by the County Sanitation District of Los Angeles County, as lead agency, on October 25, 2017.

Additional Information:

None.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 3 residents as of April 12, 2017. The population density is 5.88 persons per acre.

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

The affected territory is 0.51± acres. The territory consists of one existing single-family home.

The assessed valuation is \$832,234 as of April 12, 2017.

The per capita assessed valuation is \$277,411.33.

On December 19, 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.

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 not likely to experience growth in the next ten years. The adjacent areas are not likely to experience growth in the next ten years.

b. Governmental Services and Controls:

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

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, 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 the subject area. The cost of sewage disposal by the District is relatively preferable since the annexation 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 adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact of the local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered 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 Southern California Association of Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code Section 65080. The closest highway to the annexation, which is part of the RTP and SCS's State Highway improved program. The proposal has no significant impact and is therefore consistent with, the Regional Transportation Plan.

h. *Consistency with Plans:*

The proposal is consistent with the existing County's General Plan designation of Residential 5 (H5).

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 County Sanitation District No. 16 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 Joint Outfall System 2010 Master Facilities Plan.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Foothill Municipal Water District which is the local water purveyor.

m. *Regional Housing:*

As a developed 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 County's General Plan designation of Residential 5 (H5).

The proposal is consistent with the existing County's zoning designation of Single-Family Residential (R-1-20000).

p. *Environmental Justice:*

The owner of real property within the affected territory has requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental

justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

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

ADDITIONAL INFORMATION/OTHER MATTERS (RELEVANT TO THE PROPOSAL:

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

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

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

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the County Sanitation District No. 16 of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

RECOMMENDED ACTION:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 31 to the County Sanitation District No. 16 of Los Angeles County.

**RESOLUTION NO. 2018-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 31 TO THE COUNTY SANITATION DISTRICT NO. 16
OF LOS ANGELES COUNTY"**

WHEREAS, the County Sanitation District No. 16 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 unincorporated area of Los Angeles County; and

WHEREAS, the proposed annexation consists of approximately 0.51± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 31 to the County Sanitation District No. 16 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 to one existing single-family home; and

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

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

WHEREAS, the Executive Officer set the item for consideration for April 11, 2018 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on April 11, 2018, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 31 to the County Sanitation District No. 16 of Los Angeles County, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation is uninhabited; and
 - b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected

local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and

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

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

3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of 0.51± acres, is uninhabited, and is assigned the following short form designation:
" Annexation No. 31 to the County Sanitation District No. 16 of Los Angeles County".
5. Annexation No. 31 to the County Sanitation District No. 16 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 Los Angeles County Sanitation District No. 16.
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 April 2018.

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. 31 to County Sanitation District No. 16

Legend

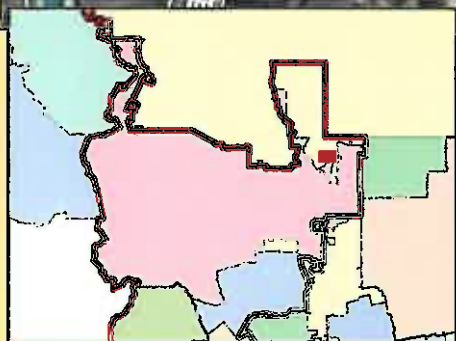
-  Sphere of Influence, CSD 16
-  CSD Annexation 16-31
-  Los Angeles County Sanitation District No. 16
-  County Unincorporated
-  City of Pasadena

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LAFCO
Local Agency Formation Commission
for the County of Los Angeles

April 11, 2018



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Staff Report

April 11, 2018

Agenda Item No. 6.e.

Annexation No. 753 to the County Sanitation District No. 21 of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	0.42± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	County Sanitation District No. 21 of Los Angeles County
Resolution or Petition:	October 25, 2017
Application Filed with LAFCO:	November 8, 2017
Location:	The affected territory is located on Glen Way approximately 800 feet north of Baseline Road.
City/County:	Los Angeles County unincorporated territory (West Claremont).
Affected Territory:	The affected territory is residential. The territory consists of one existing single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential.
Landowner:	Yoni Tabac & Christine Akin
Registered Voters:	2 registered voters as of March 14, 2017.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes.
Waiver of Notice/Hearing/Protest:	Yes.

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) because the annexation area consists of existing structures developed to the density allowed by the current zoning. A Categorical Exemption was adopted by the County Sanitation District of Los Angeles County, as lead agency, on October 25, 2017.

Additional Information:

None.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 6 residents as of March 14, 2017. The population density is 14.29 persons per acre.

The estimated future population is 6 residents (no anticipated change).

The affected territory is 0.42± acres. The affected territory is residential. The territory consists of one existing single-family home.

The assessed valuation is \$621,319 as of March 14, 2017.

The per capita assessed valuation is 103,553.17.

On December 19, 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.

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 not likely to experience growth in the next ten years. The adjacent areas are not likely to experience growth in the next ten years.

b. Governmental Services and Controls:

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

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, 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 the subject area. The cost of sewage disposal by the District is relatively preferable since the annexation 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 adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact of the local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered 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 Southern California Association of Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code Section 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The proposal has no significant impact and is therefore consistent with, the Regional Transportation Plan.

h. *Consistency with Plans:*

The proposal is consistent with the existing County's General Plan designation of Residential 5 (H5).

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 County Sanitation District No. 21 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 Joint Outfall System 2010 Master Facilities Plan.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of Three Valley's Municipal Water District.

m. *Regional Housing:*

As a developed 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 County's General Plan designation of Residential 5 (H5).

The proposal is consistent with the existing County's zoning designation of Light Agriculture (A-1-5000).

p. *Environmental Justice:*

The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

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

ADDITIONAL INFORMATION/OTHER MATTERS (RELEVANT TO THE PROPOSAL):

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

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

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

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

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

RECOMMENDED ACTION:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 753 to the County Sanitation District No. 21 of Los Angeles County.

**RESOLUTION NO. 2018-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 753 TO THE COUNTY SANITATION DISTRICT NO. 21
OF LOS ANGELES COUNTY"**

WHEREAS, the County Sanitation District No. 21 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 unincorporated Los Angeles County; and

WHEREAS, the proposed annexation consists of approximately 0.42± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 753 to the County Sanitation District No. 21 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 to one existing single-family home; and

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

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

WHEREAS, the Executive Officer set the item for consideration for April 11, 2018 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on April 11, 2018, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 753 to the County Sanitation District No. 21 of Los Angeles County, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a), because it consists of areas containing existing structures developed to the density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation is uninhabited; and
 - b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected

local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and

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

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

- 3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
- 4. The affected territory consists of 0.42± acres, is uninhabited, and is assigned the following short form designation:

" Annexation No. 753 to the County Sanitation District No. 21 of Los Angeles County ".

- 5. Annexation No. 753 to the County Sanitation District No. 21 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 County Sanitation District No. 21.
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 April 2018.

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**



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April 11, 2018

Annexation No. 753 to County Sanitation District No. 21



Legend

-  CSD Annexation 21-753
-  City of Claremont
-  Los Angeles County Sanitation District No. 21
-  Sphere of Influence, CSD 21

Staff Report

April 11, 2018

Agenda Item No. 7.a.

Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	237.25± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	County Sanitation District No. 14 of Los Angeles County
Resolution or Petition:	December 19, 2017
Application Filed with LAFCO:	November 6, 2017
Location:	The affected territory is located on the northwest corner of 70 th Street West and Avenue K.
City/County:	City of Lancaster
Affected Territory:	The affected territory is vacant land. The proposed development for the affected area includes the construction of 753 single-family homes. The topography is flat.
Surrounding Territory:	Surrounding territory is vacant and residential to the east.
Landowner(s):	Avanti North, LP
Registered Voters:	0 registered voters as of December 9, 2016.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Related Jurisdictional Changes:	There are no related jurisdictional changes.
Within SOI:	Yes.
Waiver of Notice/Hearing/Protest:	No.

CEQA Clearance:

The California Environmental Quality Act (CEQA) clearance is an Environmental Impact Report certified by the City of Lancaster, as lead agency, on December 19, 2016.

Additional Information:

On March 14, 2018 Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County was continued without prejudice to the April 11, 2018 Agenda.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Population:

The existing population is 0 residents as of December 9, 2016.

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

The estimated future population is 1,750 residents.

The affected territory is 237.25± acres. The territory is being developed to include 753 single-family homes.

The assessed valuation is \$10,515,977 as of October 30, 2017.

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

On December 19, 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.

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

The nearest populated area is 2,600 feet to the east of the affected territory. The affected territory is likely to experience growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

b. Governmental Services and Controls:

The affected territory will be developed to include 753 proposed single-family homes which requires 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 relatively preferable since the annexation 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 may have an effect on adjacent areas as described in the EIR. The proposed action may have an effect on mutual social and economic interests. The proposal has no impact of the local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered 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 Southern California Association of Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code Section 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The proposal has no significant impact and is therefore consistent with, the Regional Transportation Plan.

h. Consistency with Plans:

The proposal is consistent with the existing City of Lancaster's General Plan designation of Specific Plan (SP).

The proposal is consistent with the existing City of Lancaster's Specific Plan designation of Avanti North Specific Plan (SP).

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 County Sanitation District No. 14 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 Lancaster Water Reclamation Plant 2020 Facilities Plan.

l. Timely Availability of Water Supplies:

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Los Angeles County Waterworks District 40 which is the local water purveyor.

m. Regional Housing:

This proposal will assist the City's ability to achieve its fair share of the regional housing needs since the annexation area is being developed with 753 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 City of Lancaster's General Plan designation of Specific Plan (SP).

The proposal is consistent with the existing City of Lancaster zoning designation of Avanti North Specific Plan (SP).

p. Environmental Justice:

The owner of real property within the affected territory has requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

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

ADDITIONAL INFORMATION/OTHER MATTERS (RELEVANT TO THE PROPOSAL):

On March 14, 2018 Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County was continued without prejudice to the April 11, 2018 Agenda.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The CEQA clearance is an Environmental Impact Report certified by the City of Lancaster, as lead agency, on December 19, 2016. 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 County Sanitation District No. 14 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 public hearing and receive testimony on the annexation;
2. There being no further testimony, close the public hearing;
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County; and
4. Pursuant to Government Code Section 57002, set June 13, 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.

**RESOLUTION NO. 2018-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING
"ANNEXATION NO. 426 TO THE COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY"**

WHEREAS, the County Sanitation District No. 14 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 City of Lancaster; and

WHEREAS, the proposed annexation consists of approximately 237.25± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 426 to the County Sanitation District No. 14 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 to 753 proposed single-family homes; 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, 57025, and 57026, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on February 9,

2018, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, on March 14, 2018, Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County was continued without prejudice to April 11, 2018, not exceeding 70 days from the date specified in the original notice, pursuant to Government Code Section 56666.

WHEREAS, on April 11, 2018, 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 June 13, 2018 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.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Acting in its role as a responsible agency with respect to Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County, pursuant to California Environmental Quality Act (CEQA) Guideline Section 15096, the Commission considered the Final

Environmental Impact Report prepared and certified by the City of Lancaster, as lead agency, on December 19, 2016 for the project; certifies that the Commission has independently reviewed and considered and reached its own conclusions regarding the environmental effects of the project as shown in the Final Environmental Impact Report; adopts the Mitigation Monitoring and Reporting Program, finding that the Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures during project implementation as applicable to the responsible agency; finds that there are no further feasible alternatives or feasible mitigation measures within the Commission's power that would substantially lessen or avoid any significant effect the project would have on the environment; and determines that the significant adverse effects of the project have either been reduced to an acceptable level or are outweighed by the specific considerations of the project, as outlined in the environmental findings and Statement of Overriding Considerations, which findings and statement are adopted and incorporated as applicable herein by reference.

2. 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.
3. The affected territory consists of 237.25± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County".

4. Annexation No. 426 to the County Sanitation District No. 14 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.

5. Pursuant to Government Code Section 57002, the Commission hereby sets the protest hearing for June 13, 2018 at 9:00 a.m. and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
6. 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 11th day of April 2018.

MOTION:

SECOND:

AYES:

NOES:

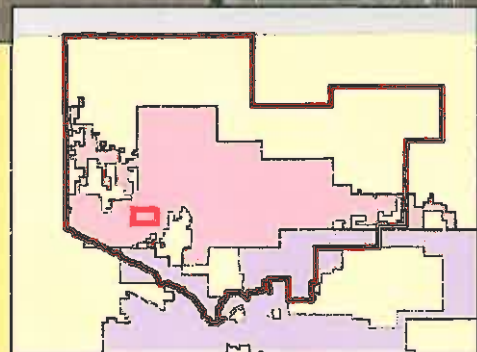
ABSTAIN:

ABSENT:

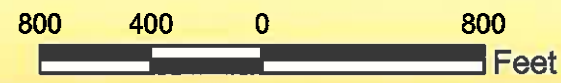
MOTION PASSES: 0/0/0

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

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



Annexation No. 426 to County Sanitation District No. 14



- Legend**
- CSD Annexation 14-426
 - City of Lancaster
 - City of Palmdale
 - Los Angeles County Sanitation District No. 14
 - Sphere of Influence, CSD 14

Final Written Report/Staff Report

April 11, 2018

Agenda Item No. 7.b.

Application for Conditions No. 2018-01 to the Santa Clarita Valley Water Agency (“SCV Water” or “Agency”)

Executive Summary

Staff requests that the Commission conduct a public hearing, approve the Final Written Report/Staff Report, and approve the conditions for SCV Water.

The “Recommended Conditions” section of this staff report (Pages 2 through 5) includes a strikethrough/underline/yellow highlight version of certain conditions (from the March 14th Written Report/Staff Report) which were revised (specifically, Condition Nos. 2, 3, 4, 5, 9, 16.D., 16.E., 16.K., 16.P., 16.R., 18, and 19) as well as a new condition (that was not included in the March 14th Written Report/Staff Report) which is new Condition No. 16.S. New Condition No. 16.S. was suggested in a March 12, 2018 letter to LAFCO from David Lutness, the Board Secretary of the Santa Clarita Organization for Planning and the Environment (“SCOPE”); staff revised the verbiage consistent with direction from the Commission at your March 14th public hearing.

Attachment “A” – Conditions, attached to this Final Written Report/Staff Report, is a clean version of all conditions.

Background

State Senator Scott Wilk introduced Senate Bill 634 (“SB 634”) on February 17, 2017. Ultimately adopted by both houses and signed by Governor Brown, the Santa Clarita Valley Water Agency Act (the “Act”) consolidated CLWA and NCWD into a new agency, the Santa Clarita Valley Water Agency as of January 1, 2018. The Act included provisions which required SCV Water to submit an “application for conditions” to LAFCO in early 2018, and allows LAFCO to impose conditions.

Notice

Notice of this public hearing was published as a one-eighth (1/8th) page advertisement (pursuant to Government Code Section 56157(h)) in the Daily Commerce on March 5, 2018 (thirty-six days prior to the April 11, 2018 public hearing); in The Signal on March 8, 2018 (thirty-three days prior to the April 11, 2018 public hearing); and in the Ventura County Star on March 8,

2018 (thirty-three days prior to the April 11, 2018 public hearing). A copy of the hearing notice is available on LAFCO's website, and it is incorporated herein by reference.

Both the Daily Commerce and The Signal are newspapers of general circulation in Los Angeles County. The Ventura County Star is a newspaper of general circulation in Ventura County. The jurisdictional boundary of SCV Water includes territory within both Los Angeles County and Ventura County.

Although not specifically required by the Act, LAFCO's issuance of public notification as outlined above is consistent with the notice LAFCO provides for changes of organization or reorganizations, as specified in Government Code Sections 56153 ("newspaper of general circulation within each affected county") and Government Code Section 56154 ("publication of the notice shall be commenced at least 21 days prior to the date specified in the notice for the hearing").

Recommended Conditions

Based upon Commission direction from the March 14th public hearing, staff has made the following changes to the conditions:

2. Consistent with Section 4(b) of the Act, the Agency shall be the successor to the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD) for the purpose of succeeding to all of the rights, duties, obligations, contracts, responsibilities, assets, entitlements, and liabilities of the Castaic Lake Water Agency and the Newhall County Water District, including, but not limited to, the performance or payment of any outstanding bonds described in Section 53350 of the Government Code. ~~As the successor agency, the Santa Clarita Valley Water Agency shall also inherit the appropriations limit of the Castaic Lake Water Agency, which is \$34,170,105 for Fiscal Year 2017-18, as adopted by the CLWA Board of Directors on May 8, 2017.~~ As the successor agency, the Santa Clarita Valley Water Agency shall inherit the Castaic Lake Water Agency's Coterminous Sphere of Influence ("Coterminous SOL") as approved by the Commission on June 17, 2003 and reconfirmed by the Commission on October 10, 2012 (as shown in Attachment "D" to the Final Written Report/Staff Report).
3. Consistent with Section 29(e) of the Act, the functions or classes of services that were being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and are hereby considered to be authorized ~~powers~~ functions or classes of services (also known as "active powers") of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:
 - A. Water;
 - B. Sewer Facilities;
 - C. Power Generation; and
 - D. Recycled Water Service

4. The functions or classes of services that were not being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and which are hereby considered to be new or different functions or classes of services (“latent powers”) of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:
 - A. Fire Protection;
 - B. Recreational Facilities; and
 - C. Sanitation Service.
5. Consistent with Section 17(b) of the Act, any and all other powers functions or classes of services not identified in Condition No. 3, above, which the Agency may propose to exercise are considered to be new or different functions or classes of services (also known as “latent powers”). The Agency is prohibited from exercising such new or different functions or classes of services without the advance, written approval of the Commission pursuant to Government Code Sections 56824.10 through 56824.14, inclusive, and as addressed elsewhere in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
9. No later than January 1, 2019, 2020, the Agency shall file an application with LAFCO to annex that specific geographic area formerly served by the Valencia Water Company (VWC), shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map, of the SCV Water Plan for Services. Said application shall include an associated Sphere of Influence (SOI) amendment and proof of California Environmental Quality Act (CEQA) compliance.
16. The Agency shall maintain, and regularly update, the following information and documents on its website:
 - A. Adopted policies concerning the Ralph M. Brown Act (Condition No. 10), the Public Records Act (Condition No. 11), Conflict of Interest Code (Condition No. 12), retention/disposal of records (Condition No. 13), board-member compensation and reimbursement expenses (Condition No. 14), and employee reimbursement (Condition No. 15).
 - B. Agency’s audited financial statements for the last three (3) fiscal years (initially, this shall include the audited financial statements of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).
 - C. Adopted Final Budgets for the last three (3) fiscal years (initially, this shall include the adopted final budgets of all predecessor agencies: Castaic Lake Water

Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).

- D. Comprehensive Annual Financial Reports ("CAFRs") for the last three (3) fiscal years (initially, this shall include the CAFRs of all predecessor public agencies: Castaic Lake Water Agency, Newhall County Water Agency, and Santa Clarita Water Division, and the Valencia Water Company).
- E. Water Quality Reports Consumer Confidence Reports for the last three (3) fiscal years (initially, this shall include the water quality reports joint Consumer Confidence Reports of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).
- F. Most recently-adopted Urban Water Management Plan ("UWMP"), and, going forward, any updates or newly-adopted UWMPs.
- G. Most recently-adopted Integrated Regional Watershed Management Plan(s) (IRWMPs) for the Upper Santa Clara River Watershed, and, going forward, any updates or newly-adopted IRWMPs.
- H. Documentation of compliance with SB 272 (Hertzberg, 2015), to include a catalog of the Agency's enterprise systems (any software application or computer system that collects, stores, exchanges, and analyzes information that the Agency uses).
- I. Board of Directors Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Agenda Packages as of January 1, 2018 and later.
- J. Board of Directors Committee Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Committee Packages as of January 1, 2018 and later.
- K. Board of Directors and Board of Directors Committee Meeting minutes for all meetings as of January 1, 2018 and later for which minutes are taken.
- L. Maps of all Agency electoral divisions.
- M. Biographies of all directors, including information on their terms of office.
- N. Agency staff organizational chart.

- O. Agency telephone/e-mail directory for key staff (including, but not limited to, management, supervisors, director/division leaders) and public contacts (including, but not limited to, establishing service, billing, public information officer, conservation information, and records requests).
 - P. Copies of all adopted Joint Powers Authority agreements (JPAs), Memoranda of Understanding (MOUs), or Memoranda of Agreement (MOAs), or equivalent with other public agencies, except those that are exempt from disclosure by law.
 - Q. Identification of all outstanding bonds (broken down by the Agency, the Castaic Lake Agency, the Newhall County Water Agency, the Santa Clara Water Division, and the Valencia Water Company), and, further, for each bond issuance, quantification of the original indebtedness, year of issuance, amount of indebtedness outstanding (updated annually), and interest rate.
 - R. Documentation certifying Copies of applicable municipal credit rating agency (the Agency's Moody's, and Standard & Poor's, Fitch) credit ratings, updated annually, reports on outstanding Agency debt issuances including any updates issued by those rating agencies.
 - S. All water wells operated by the Agency shall be listed on the website. The website shall include groundwater elevation levels and production volumes for each well, which shall be updated monthly.
18. Upon request, the Agency shall provide, to any requesting party, information concerning all board-member compensation and expense reimbursements, in compliance with the timing requirements in the California Public Records Act. If this information is available in an on-line format, the Agency may comply with this condition by providing links to the appropriate information available on-line.
19. Prior to the adoption of any changes in retail water rates, the Board of Directors of SCV Water ("Board") shall submit any proposed retail water rate changes to the Ratepayer Advocate identified in Section 14(b) of the Santa Clarita Valley Water Act, once the position has been established in compliance with that section. At least ten (10) thirty (30) calendar days in advance of any proposed Board adoption of revised retail water rates, the Agency shall post to its website documentation concerning any findings, conclusions, reports, and/or similar determinations by the Ratepayer Advocate.

All other conditions are unchanged from the draft conditions presented to the Commission at your March 14, 2018 public hearing. Attachment "A" – Conditions, attached to this Final Written Report/Staff Report, is a "clean" (no strikethrough/underline/yellow highlight) version of all conditions.

California Environmental Quality Act (CEQA)

The Commission's consideration of SCV Water's Application for Conditions and adoption of a Final Written Report/Staff Report imposing conditions on the SCV Water is not a project under the State CEQA Guidelines, or in the alternative, is exempt from the provisions of CEQA for each of the following independent reasons:

- CEQA does not apply to "proposals for legislation to be enacted by the State Legislature" pursuant to State CEQA Guidelines Section 15378(b)(1). The subject bill (SB 634) was adopted by both houses of the Legislature in 2017; signed into law by the Governor on October 15, 2017; and took effect on January 1, 2018. As of January 1, 2018, the two primary agencies (the Castaic Lake Water Agency and the Newhall County Water District) ceased to exist, and the new agency (Santa Clarita Valley Water Agency) came into existence. CEQA does not apply because these actions are not considered a "project" as defined by CEQA.
- CEQA does not apply to "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" pursuant to State CEQA Guidelines Section 15378(b)(5). There are no foreseeable impacts to the physical environment associated with LAFCO's imposing conditions upon the consolidation which has already taken effect. The conditions pertain to organizational, administrative, and financial matters that will not result in a direct or reasonably foreseeable indirect impact to the physical environment. CEQA does not apply because these actions are not considered a "project" as defined by CEQA.
- The project is exempt as a ministerial action pursuant to State CEQA Guidelines Section 15268. In the alternative, if LAFCO's imposition of conditions is a "project" subject to CEQA, it is statutorily exempt as a ministerial action pursuant to California Public Resources Code Section 21080(b)(1) and State CEQA Guidelines Section 15268, because it does not involve the exercise of judgment or discretion that would allow LAFCO to mitigate environmental damage to some degree.
- The project is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). It can be seen with certainty that there are no foreseeable impacts to the physical environment associated with LAFCO's imposing conditions upon the consolidation, which has already taken effect. The conditions pertain to organizational, administrative, and financial matters that will not result in a direct or reasonably foreseeable indirect impact to the physical environment.

The Santa Clarita Valley Water Agency, as lead agency, adopted a "Notice of Exemption" relative to the application for conditions to LAFCO on January 29, 2018 (Attachment "B" to the Final Written Report/ Staff Report). The Commission is a responsible agency with respect to the application for conditions.

March 14, 2018 Written Report/Staff Report

The Written Report/Staff Report of March 14, 2018; and all associated attachments; are incorporated herein by reference.

Staff Recommendation:

With respect to Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency, staff recommends that the Commission:

- a. Open the public hearing and receive testimony on the Application for Conditions No. 2018-01 for the Santa Clarita Valley Water Agency;
- b. There being no further testimony, close the public hearing;
- c. Approve the Final Written Report/Staff Report;
- d. Approve the conditions, as specified in Attachment "A" – Conditions;
- e. Find that the SCV Water application for conditions is not a project under State CEQA Guidelines or, in the alternative, is exempt from the provisions of CEQA for each of the independent reasons stated on Page 6 of this Final Written Report/Staff Report;
- f. Consistent with Section 3 of the Act, the boundaries of the Santa Clarita Valley Water Agency are confirmed and determined as set forth in Condition No. 1.
- g. Consistent with Section 29(e) of the Act, "certify the functions or classes of services that were being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017" as set forth in Condition No. 3;
- h. Revise Condition No. 22 to reflect that the effective date of these conditions is April 11, 2018;
- i. Revise the Sphere of Influence for the Santa Clarita Valley Water Agency map (Attachment "D") to reflect that the effective date is April 11, 2018; and
- j. Notify the Applicant, and all identified interested parties, in writing, of today's action, and enclose a copy of the conditions.

Upon the Commission's approval of the recommended actions, staff will file a Notice of Exemption with the County Clerk pursuant to Section 21152 of the California Public Resources Code.

Attachments:

Attachment "A" – Conditions

Attachment "B" – Notice of Exemption filed by the Santa Clarita Valley Water Agency on January 29, 2018

Attachment "C" – Geographic Description (Exhibit "A") and Map (Exhibit "B")

Attachment "D" – Sphere of Influence for the Santa Clarita Valley Water Agency

Application for Conditions No. 2018-01 to the
Santa Clarita Valley Water Agency

Attachment "A"

**Application for Conditions No. 2018-01 to the Santa Clarita Valley Water Agency
April 11, 2018**

Attachment "A" – Conditions

1. Consistent with Section 3 of the Santa Clarita Valley Water Act (the "Act"), the boundaries for the Santa Clarita Valley Water Agency ("SCV Water" or "Agency") are hereby confirmed and determined as shown in Attachment "C" to the Final Written Report/Staff Report, Exhibit "A" (Geographic Description) and Exhibit "B" (Map).
2. Consistent with Section 4(b) of the Act, the Agency shall be the successor to the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD) for the purpose of succeeding to all of the rights, duties, obligations, contracts, responsibilities, assets, entitlements, and liabilities of the Castaic Lake Water Agency and the Newhall County Water District, including, but not limited to, the performance or payment of any outstanding bonds described in Section 53350 of the Government Code. As the successor agency, the Santa Clarita Valley Water Agency shall inherit the Castaic Lake Water Agency's Coterminous Sphere of Influence ("Coterminous SOI") as approved by the Commission on June 17, 2003 and reconfirmed by the Commission on October 10, 2012 (as shown in Attachment "D" to the Final Written Report/Staff Report).
3. Consistent with Section 29(e) of the Act, the functions or classes of services that were being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and are hereby considered to be authorized functions or classes of services (also known as "active powers") of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:
 - A. Water;
 - B. Sewer Facilities;
 - C. Power Generation; and
 - D. Recycled Water Service
4. The functions or classes of services that were not being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and which are hereby considered to be new or different functions or classes of services ("latent powers") of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:
 - A. Fire Protection;
 - B. Recreational Facilities; and
 - C. Sanitation Service.
5. Consistent with Section 17(b) of the Act, any and all other functions or classes of services not identified in Condition No. 3, above, which the Agency may propose to

exercise are considered to be new or different functions or classes of services (also known as "latent powers"). The Agency is prohibited from exercising such new or different functions or classes of services without the advance, written approval of the Commission pursuant to Government Code Sections 56824.10 through 56824.14, inclusive, and as addressed elsewhere in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

6. The Agency shall support LAFCO's preparation of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Agency, as follows:
 - A. Within twelve (12) months of the effective date of these conditions, the Agency shall enter into a Memorandum of Understanding ("MOU") or equivalent with LAFCO wherein the Agency shall reimburse LAFCO for the cost of soliciting, hiring, and paying for a consultant to prepare the Santa Clarita Valley Water Agency MSR and SOI Update.
 - B. The Agency shall actively cooperate with LAFCO and its consultant in terms of providing information, responding to inquiries, and actively doing anything within the Agency's power to assist LAFCO and its consultant in the preparation of the MSR and SOI Update; and
 - C. The Agency shall send a representative (or representatives) to all LAFCO (or consultant) community meetings as well as all meetings of the Commission concerning the proposed MSR and SOI Update.
7. Pursuant to Government Code Section 56133(e)(4), the Commission hereby acknowledges that SCV Water provides retail water service to the five hundred twenty-four (524) service connections within the boundaries of that specific geographic area formerly served by the Valencia Water Company (VWC) (the area shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map ("Existing VWC Boundary Outside SCV Water Boundary-Existing Service") of the SCV Water Plan for Services) and currently outside of the SCV Water boundaries. (NOTE: The Agency has provided, and LAFCO will maintain on file, a listing of all service connections by Assessor Parcel Number and/or address.)
8. SCV Water is prohibited from providing new service, or establishing new service connections, to any other parties within that specific geographic area shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map ("Existing VWC Boundary Outside SCV Water Boundary-Existing Service" of the SCV Water Plan for Services) without the advance, written consent of LAFCO pursuant to a future annexation as contemplated in Condition No. 9, below.

9. No later than January 1, 2020, the Agency shall file an application with LAFCO to annex that specific geographic area formerly served by the Valencia Water Company (VWC), shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map, of the SCV Water Plan for Services. Said application shall include an associated Sphere of Influence (SOI) amendment and proof of California Environmental Quality Act (CEQA) compliance.
10. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) reflecting its compliance with the Ralph M. Brown Act (Government Code Section 54950 *et seq*).
11. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) reflecting its compliance with the Public Records Act (Government Code Section 6250 *et seq*).
12. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) regarding adoption and periodic updating of a Conflict of Interest Code in compliance with the Political Reform Act (Government Code Section 81000 *et seq*).
13. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) governing the retention/disposal of records.
14. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) concerning all compensation (i.e. stipends) and reimbursement of expenses for all board-members.
15. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) concerning reimbursement of employee expenses.
16. The Agency shall maintain, and regularly update, the following information and documents on its website:
 - A. Adopted policies concerning the Ralph M. Brown Act (Condition No. 10), the Public Records Act (Condition No. 11), Conflict of Interest Code (Condition No. 12), retention/disposal of records (Condition No. 13), board-member compensation and reimbursement expenses (Condition No. 14), and employee reimbursement (Condition No. 15).

- B. Agency's audited financial statements for the last three (3) fiscal years (initially, this shall include the audited financial statements of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).
- C. Adopted Final Budgets for the last three (3) fiscal years (initially, this shall include the adopted final budgets of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).
- D. Comprehensive Annual Financial Reports ("CAFRs") for the last three (3) fiscal years (initially, this shall include the CAFRs of all predecessor public agencies: Castaic Lake Water Agency, Newhall County Water Agency, and Santa Clarita Water Division).
- E. Consumer Confidence Reports for the last three (3) fiscal years (initially, this shall include the joint Consumer Confidence Reports of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).
- F. Most recently-adopted Urban Water Management Plan ("UWMP"), and, going forward, any updates or newly-adopted UWMPs.
- G. Most recently-adopted Integrated Regional Watershed Management Plan(s) (IRWMPs) for the Upper Santa Clara River Watershed, and, going forward, any updates or newly-adopted IRWMPs.
- H. Documentation of compliance with SB 272 (Hertzberg, 2015), to include a catalog of the Agency's enterprise systems (any software application or computer system that collects, stores, exchanges, and analyzes information that the Agency uses).
- I. Board of Directors Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Agenda Packages as of January 1, 2018 and later.
- J. Board of Directors Committee Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Committee Packages as of January 1, 2018 and later.
- K. Board of Directors and Board of Directors Committee Meeting minutes for all meetings as of January 1, 2018 and later for which minutes are taken.

- L. Maps of all Agency electoral divisions.
 - M. Biographies of all directors, including information on their terms of office.
 - N. Agency staff organizational chart.
 - O. Agency telephone/e-mail directory for key staff (including, but not limited to, management, supervisors, director/division leaders) and public contacts (including, but not limited to, establishing service, billing, public information officer, conservation information, and records requests).
 - P. Copies of all adopted Joint Powers Authority agreements (JPAs), Memoranda of Understanding (MOUs), or Memoranda of Agreement (MOAs) with other public agencies, except those that are exempt from disclosure by law.
 - Q. Identification of all outstanding bonds (broken down by the Agency, the Castaic Lake Agency, the Newhall County Water Agency, the Santa Clara Water Division, and the Valencia Water Company), and, further, for each bond issuance, quantification of the original indebtedness, year of issuance, amount of indebtedness outstanding (updated annually), and interest rate.
 - R. Copies of applicable municipal credit rating agency (Moody's, Standard & Poor's, Fitch) reports on outstanding Agency debt issuances including any updates issued by those rating agencies.
 - S. All water wells operated by the Agency shall be listed on the website. The website shall include groundwater elevation levels and production volumes for each well, which shall be updated monthly.
17. The Agenda Package for at least one (1) meeting every calendar month shall include a listing of all board-member compensation and expense reimbursements for the prior month (or since the last report).
18. Upon request, the Agency shall provide, to any requesting party, information concerning all board-member compensation and expense reimbursements, in compliance with the timing requirements in the California Public Records Act. If this information is available in an on-line format, the Agency may comply with this condition by providing links to the appropriate information available on-line.
19. Prior to the adoption of any changes in retail water rates, the Board of Directors of SCV Water ("Board") shall submit any proposed retail water rate changes to the Ratepayer

Advocate identified in Section 14(b) of the Santa Clarita Valley Water Act, once the position has been established in compliance with that section. At least thirty (30) calendar days in advance of any proposed Board adoption of revised retail water rates, the Agency shall post to its website documentation concerning any findings, conclusions, reports, and/or similar determinations by the Ratepayer Advocate.

20. The Agency shall adopt a resolution establishing the appropriations limit for the upcoming fiscal year, no later than June 30th of each year, in compliance with Article XIII B of the California Constitution (Gann Spending Limit Initiative).
21. Within one (1) year of the effective date of these conditions, the Agency shall provide LAFCO with a report documenting compliance with all conditions herein.
22. The effective date of these conditions shall be _____, the date upon which the Commission approves the Final Written Report pursuant to Section 29(c) of the Act.

**Application for Conditions No. 2018-01 to the
Santa Clarita Valley Water Agency**

Attachment “B”

NOTICE OF EXEMPTION

TO: <input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 212 Sacramento, CA 95812-3044	FROM: Santa Clarita Valley Water Agency 27234 Bouquet Canyon Road Santa Clarita, California 91350
<input checked="" type="checkbox"/> Los Angeles County Registrar-Recorder 12400 Imperial Highway Norwalk, CA 90650	

1.	Project Title:	Application for Conditions and a Plan for Services to the Los Angeles Local Agency Formation Commission
2.	Project Applicant:	Santa Clarita Valley Water Agency
3.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	Within the service area of the Santa Clarita Valley Water Agency (see attached map)
4.	(a) Project Location – Cities (Santa Clarita and surrounding areas)	(b) Project Location – County: Los Angeles
5.	Description of nature, purpose, and beneficiaries of Project:	On October 15, 2017, Senate Bill 634 was signed into law by Governor Brown, thereby creating the Santa Clarita Valley Water Agency ("SCVWA"). SB 634 requires that on or before January 31, 2018, the SCVWA shall submit an application for conditions addressing the creation of the SCVWA, including among other items a plan for providing services, to the Local Agency Formation Commission ("LAFCO") for the County of Los Angeles (the "Application for Conditions"). On January 29, 2018, the Board of Directors of SCVWA approved the submittal of the Application for Conditions and plan for services in accordance with SB 634.
6.	Name of Public Agency approving project:	Santa Clarita Valley Water Agency
7.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Santa Clarita Valley Water Agency
8.	Exempt status: (check one)	
(a)	<input checked="" type="checkbox"/> Ministerial project.	State CEQA Guidelines, §§ 15369, 15268
(b)	<input checked="" type="checkbox"/> Not a project.	State CEQA Guidelines, § 15378(b)(1)
(c)	<input type="checkbox"/> Emergency Project.	
(d)	<input type="checkbox"/> Categorical Exemption. State type and class number:	
(e)	<input type="checkbox"/> Declared Emergency.	
(f)	<input type="checkbox"/> Statutory Exemption.	
(g)	<input checked="" type="checkbox"/> Other. Explanation:	State CEQA Guidelines § 15061(b)(3)

9. Reason why project was exempt:

The creation of the Santa Clarita Valley Water Agency and reorganization actions demanded by SB 634 are legislative acts of the state legislature. The State CEQA Guidelines (14 Cal. Code Regs., § 15000 et seq.) expressly provide that CEQA does not apply to legislation adopted or proposed by the legislature. (State CEQA Guidelines, § 15378(b)(1).) As such, CEQA does not apply to the creation and reorganization of the Agency because it is not a "project" under CEQA.

Similarly, the Application for Conditions demanded by SB 634 extends only to those actions identified in Government Code § 56653 primarily pertaining to organizational, administrative, and financial matters that do not commit the Agency – and do not request any such commitment from LAFCO – to any actions that may result in a direct or reasonably foreseeable indirect impact to the physical environment.

Finally, AB 634 requires that the Application for Conditions be submitted by the Agency by January 31st. As such, the Legislature must have intended the Application for Conditions to be submitted without first undergoing CEQA review. Accordingly, the Agency finds that its submission of the Application for Conditions to LAFCO is not a CEQA "project" and that no CEQA review is required. For all the above reasons, the Board's action is not a "project" subject to CEQA.

Also, the Application for Conditions is a ministerial action because it involves little or no judgment or discretion by the public agency. (See State CEQA Guidelines, § 15369.) The Application for Conditions is commanded by the legislature in SB 634, and SCVWA exercises little to no discretion in undertaking the submittal of an Application for Conditions mandated by SB 634. CEQA Guidelines section 15268 states that ministerial projects are not subject to the requirements of CEQA.

Even if the Application for Conditions is a "project" and subject to CEQA, it is exempt under State CEQA Guidelines section 15061(b)(3)-Common Sense Exemption. The "common sense exemption" states that a lead agency may find a project exempt from CEQA is "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." It can be seen with certainty that the Application for Conditions will have no significant effect on the environment—it merely seeks conditions pertaining to the creation of the SCVWA, which LAFCO is empowered to do by State law. (Gov. Code, § 56886).

10. Lead Agency Contact Person:

Matthew G. Stone, General Manager

Phone: 661-297-1600

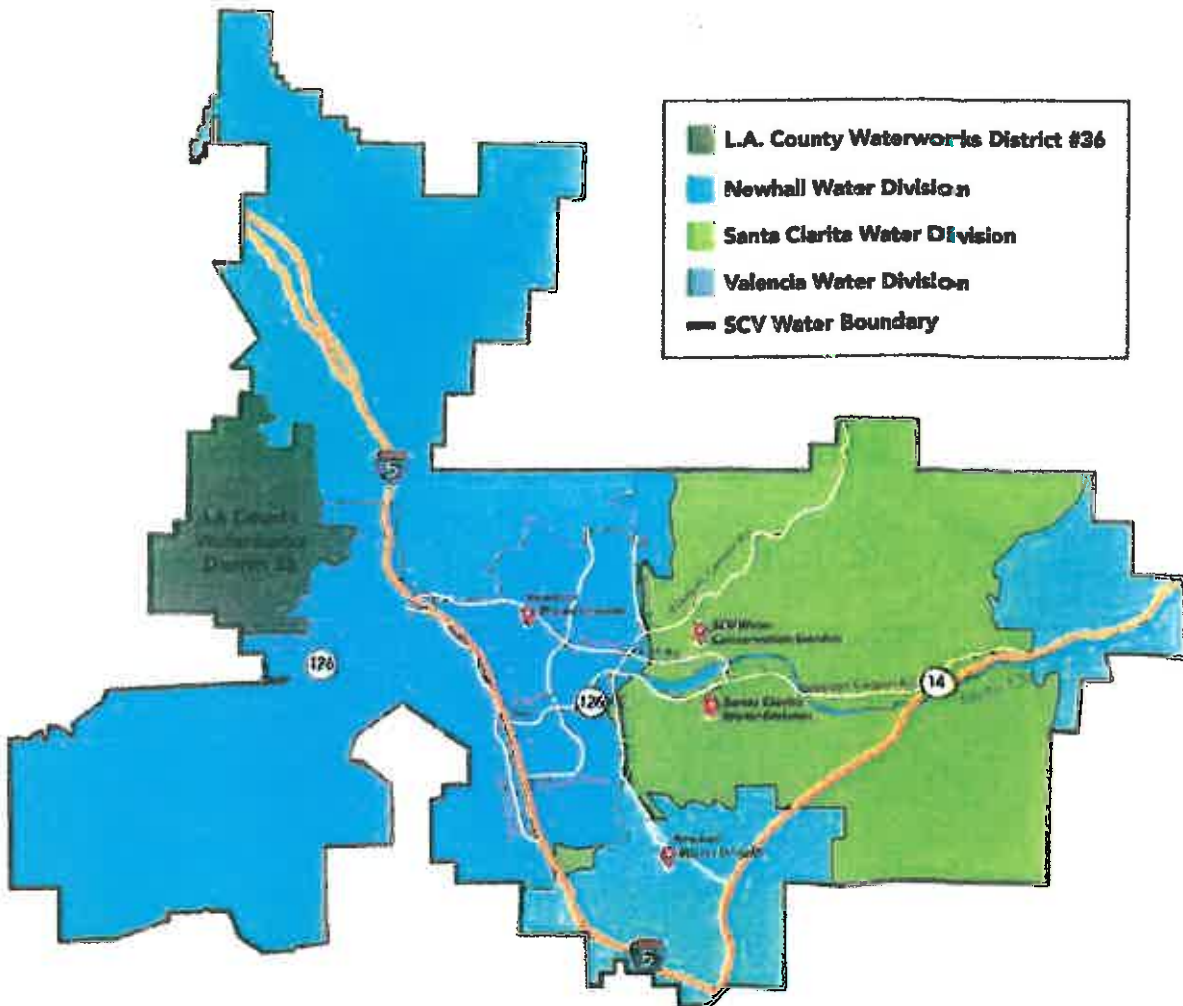
Signature: Matthew G. Stone

Date: January 29, 2018

Date Received for Filing: _____

(Clerk Stamp Here)

Santa Clarita Valley Water Agency Service Area Map (by division)



Application for Conditions No. 2018-01 to the
Santa Clarita Valley Water Agency

Attachment "C"



EXHIBIT "A"
CONDITIONS NO. 2018-01 FOR THE
SANTA CLARITA VALLEY WATER AGENCY
AND SPHERE OF INFLUENCE DETERMINATION
GEOGRAPHICAL DESCRIPTION

All that real property in the County of Los Angeles and the County of Ventura, State of California, more particularly described as follows:

Beginning at the intersection of the northerly line of the Rancho San Francisco as per map recorded in Book 1, Pages 521 and 522 of Patents in the Office of the County Recorder of Los Angeles County, and the boundary line of the County of Los Angeles and County of Ventura, as shown on Record of Survey, filed in Book 27, Pages 22 through 26, inclusive of Record of Surveys, in the Office of said County Recorder, and shown on Parcel Map No. 24500-01 filed in Book 293, Pages 34 through 67, inclusive of Parcel Maps, in the Office of said County Recorder;

1. Thence, easterly along said northerly line of said Rancho San Francisco, as shown on said Parcel Map No. 24500-01, North 87°31'59" East 14,702.08 feet to an angle point therein, as shown on said Parcel Map No. 24500-01;
2. Thence, northeasterly along the northwesterly line of the Rancho San Francisco, North 33°22'49" East 499.99 feet to the intersection with the south line of Section 15, Township 4 North, Range 17 West, San Bernardino Meridian;
3. Thence, westerly along said south line, South 89°18'10" West 2,473.26 feet to the southwest corner of said Section 15;
4. Thence, northerly along the east line of the southeast quarter of Section 16, Township 4 North, Range 17 West, San Bernardino Meridian, as shown on said Parcel Map No. 24500-01, North 00°57'05" East 2,607.39 feet to the east quarter corner of said Section 16;
5. Thence, westerly along the south line of the northeast quarter of said Section 16, as shown on said Parcel Map No. 24500-01, North 88°57'23" West 2,639.96 feet to the southwest corner of said northeast quarter;
6. Thence, northerly along the west line of said northeast quarter, as shown on said Parcel Map No. 24500-01, North 00°57'42" East 2,604.21 feet to the northwest corner of said northeast quarter of Section 16;
7. Thence, westerly along the north line of the northwest quarter of said Section 16, as shown on said Parcel Map No. 24500-01, North 89°01'55" West 2,637.10 feet to the southwest corner of Section 9 of said Township and Range;
8. Thence, northerly along the west line of said Section 9, as shown on County Surveyor's Book 325-2 in the Office of said County Recorder, North 00°31'35" East 1,325.21 feet to the northwest corner of the southwest quarter of the southwest quarter of said Section 9;
9. Thence, westerly along the north line of the south half of the southeast quarter of Section 8, said Township and Range and along the north line of the south half of the southwest quarter of said Section 8 as shown on County Surveyor's Book 1092-1 in the Office of said County Recorder, North 89°13'48" West 5,302.24 feet to the northwest corner of said south half of the southwest quarter of Section 8;

10. Thence, westerly along the north line of the southeast quarter of the southeast quarter of Section 7, said Township and Range, as shown on map filed in Book 109, Page 1 of Record of Surveys in the Office of said County Recorder, North 89°10'32" West 1,337.74 feet to the northwest corner of said southeast quarter of the southeast quarter of Section 7;

11. Thence, northerly along the west line of the northeast quarter of the southeast quarter of said Section 7 and along the west line of the southeast quarter of the northeast quarter of said Section 7 and along the west line of the northeast quarter of the northeast quarter of said Section 7, North 00°04'09" East 3,948.92 feet to the northwest corner of said northeast quarter of the northeast quarter of Section 7, as shown on last said Record of Survey;

12. Thence, northerly along the west line of the southeast quarter of the southeast quarter of Section 6, said Township and Range, as shown on map filed in Book 117, Page 62 of Record of Surveys in the Office of said County Recorder, and along the west line of the northeast quarter of the southeast quarter of said Section 6 and along the west line of the southeast quarter of the northeast quarter of said Section 6, North 01°04'41" West 3,922.37 feet to the northwest corner of said southeast quarter of the northeast quarter of Section 6;

13. Thence, easterly along the north line of said southeast quarter of the northeast quarter of Section 6, South 88°36'29" East 1,278.37 feet to the northeast corner of said southeast quarter of the northeast quarter of Section 6;

14. Thence, south along the east line of the northeast quarter of said Section 6, South 01°48'19" East 4.38 feet to the southwest corner of Government Lot 4, Section 5, said Township and Range, as shown on map filed in Book 200, Page 52 of Record of Surveys, in the Office of said County Recorder;

15. Thence, east along the south line of said Government Lot 4, Section 5, as shown on last said Record of Survey, South 89°05'13" East 1,280.44 feet to the southeast corner of said Government Lot 4, Section 5;

16. Thence, north along the east line of said Government Lot 4, Section 5, North 02°37'28" West 1,311.35 feet to the northeast corner of said Government Lot 4, Section 5, as shown on last said Record of Survey;

17. Thence, east along the north line of Government Lot 3, said Section 5, as shown on last said Record of Survey, South 88°44'43" East 1,262.05 feet to the north quarter corner of said Section 5;

18. Thence, northerly along the west line of the southeast quarter of Section 32, Township 5 North, Range 17 West, San Bernardino Meridian, as shown on County Surveyor's Book 1226 in the Office of said County Recorder, and along the west line of the northeast quarter of said Section 32, North 00°44'34" East 5,274.10 feet to the northwest corner of said northeast quarter of Section 32;

19. Thence, northerly along the west line of the southeast quarter of Section 29, said Township and Range, as shown on last said County Surveyor's Book, and along the west line of the northeast quarter of said Section 29, North 01°58'35" West 3,990.59 feet to the northwest corner of the south half of the northeast quarter of said Section 29;

20. Thence, east along the north line of said south half of the northeast quarter of Section 29, South 89°25'19" East 2,609.33 feet to the northeast corner of said south half of the northeast

quarter of Section 29;

21. Thence, north along the east line of the northeast quarter of said Section 29, as shown on last said County Surveyor's Book, North $00^{\circ}42'08''$ West 1,341.15 feet to the northeast corner of said Section 29;

22. Thence, east along the north line of the northwest quarter of Section 28, said Township and Range, as shown on last said County Surveyor's Book, South $89^{\circ}37'28''$ East 2,644.62 feet to the southeast corner of the southwest quarter of Section 21, said Township and Range, as shown on last said County Surveyor's Book;

23. Thence, north along the east line of said southwest quarter of Section 21, North $00^{\circ}54'42''$ West 2,678.95 feet to the northeast corner of said southwest quarter of Section 21;

24. Thence, easterly along the south line of the northeast quarter of said Section 21, South $89^{\circ}32'59''$ East 1,311.01 feet to the southwest corner of the east half of the northeast quarter of said Section 21;

25. Thence, northerly along the west line of the east half of the northeast quarter of said Section 21, North $00^{\circ}45'26''$ West 2,649.42 feet to the northwest corner of said east half;

26. Thence, westerly along the north line of said Section 21, North $89^{\circ}49'28''$ West 1,996.63 feet to the most westerly corner of Government Lot 5 in Fractional Section 16, said Township and Range;

27. Thence, northeasterly along the northwesterly lines of Government Lots 5, 4 and 3, all of said Fractional Section 16, North $44^{\circ}49'14''$ East 4,045.12 feet to an angle point in the westerly line of said Government Lot 3, said point being an angle point in the easterly line of Rancho Temascal, as shown on last said County Surveyor's Book;

28. Thence, northwesterly along the northeasterly line of said Rancho Temascal, as shown on last said County Surveyor's Book, North $32^{\circ}08'54''$ West 9,189.70 feet to the northerly line of Fractional Section 9, said Township and Range;

29. Thence, easterly along said north line of Fractional Section 9, as shown on last mentioned County Surveyor's Book, South $89^{\circ}33'57''$ East 2,913.53 feet to the south quarter corner of Section 4, said Township and Range;

30. Thence, northerly along the east line of the southwest quarter of said Section 4, and along the east line of the northwest quarter of said Section 4, as shown on last mentioned County Surveyor's Book, North $00^{\circ}03'20''$ West 6,964.53 feet to the north quarter corner of said Section 4;

31. Thence, easterly along the south line of the southeast corner of Section 34, Township 6 North, Range 17 West, San Bernardino Meridian, as shown on last said County Surveyor's Book, South $89^{\circ}27'07''$ East 2,642.28 feet to the southeast corner of said Section 34;

32. Thence, northerly along the east line of said Section 34, as shown on map filed in Book 183, Page 64 of Record of Surveys, in the Office of said County Recorder, North $00^{\circ}24'53''$ East 5,356.52 feet to the northeast corner of said Section 34;

33. Thence, westerly along the north line of said Section 34, as shown on Parcel Map No. 11280 filed in Book 120, Pages 62 and 63 of Parcel Maps in the Office of said County Recorder, North $89^{\circ}25'32''$ West 5,331.60 feet to the northwest corner of said Section 34;

34. Thence, northerly along the west line of the southwest quarter of Section 27, said Township and Range, North 00°35'48" East 2,678.80 feet to the northwest corner of said southwest quarter;
35. Thence, westerly along the south line of the northeast quarter of Section 28, said Township and Range, North 88°15'41" West 646.32 feet to the northeast corner of the west half of the east half of the southeast quarter of said Section 28;
36. Thence, southerly along the east line of the west half of the east half of the southeast quarter of said Section 28, South 01°00'58" West 2,664.83 feet to the southeast corner of the west half of the east half of the southeast quarter of said Section 28;
37. Thence, westerly along the south line of the southeast quarter of said Section 28, North 87°05'16" West 666.24 feet to the northwest corner of the northeast quarter of the northeast quarter of Section 33, said Township and Range;
38. Thence, southerly along the west line of the northeast quarter of the northeast quarter of said Section 33, South 00°25'14" West 1,352.87 feet to the southwest corner of the northeast quarter of the northeast quarter of said Section 33;
39. Thence, westerly along the south line of the northwest quarter of the northeast quarter of said Section 33, North 87°40'32" West 654.57 feet to the northeast corner of the northwest quarter of the southwest quarter of the northeast quarter of said Section 33;
40. Thence, southerly along the east line of the northwest quarter of the southwest quarter of the northeast quarter of said Section 33, South 00°03'36" East 680.36 feet to the southeast corner of the northwest quarter of the southwest quarter of the northeast quarter of said Section 33;
41. Thence, westerly along the south line of the northwest quarter of the southwest quarter of the northeast quarter of said Section 33, North 87°57'07" West 648.78 feet to the southwest corner of the northwest quarter of the southwest quarter of the northeast quarter of said Section 33;
42. Thence, northerly along the west line of the northeast quarter of said Section 33, North 00°32'06" West 2,051.25 feet to the northwest corner of the northeast quarter of said Section 33;
43. Thence, easterly along the north line of the northeast quarter of said Section 33, South 87°05'16" East 666.24 feet to the southwest corner of the southeast quarter of the southwest quarter of the southeast quarter of said Section 28;
44. Thence, northerly along the west line of the east half of the southwest quarter of the southeast quarter of said Section 28, North 01°08'39" East 1,318.65 feet to the northwest corner of the east half of the southwest quarter of the southeast quarter of said Section 28;
45. Thence, easterly along the north line of the east half of the southwest quarter of the southeast quarter of said Section 28, South 87°40'23" East 672.91 feet to the northeast corner of the east half of the southwest quarter of the southeast quarter of said Section 28;
46. Thence, northerly along the east line of the northwest quarter of the southeast quarter of said Section 28, North 01°26'24" East 1,325.68 feet to the northeast corner of the northwest quarter of the southeast quarter of said Section 28;

47. Thence, northerly along the west line of the southwest quarter of the southeast quarter of the northeast quarter of said Section 28, North 00°00'00" East 663.14 feet to the northwest corner of the southwest quarter of the southeast quarter of the northeast quarter of said Section 28;
48. Thence, easterly along the north line of the southwest quarter of the southeast quarter of the northeast quarter of said Section 28, South 88°33'30" East 649.71 feet to the northeast corner of the southwest quarter of the southeast quarter of the northeast quarter of said Section 28;
49. Thence, northerly along the west line of the northeast quarter of the southeast quarter of the northeast quarter of said Section 28 and along the west line of the southeast quarter of the northeast quarter of the northeast quarter of said Section 28, North 00°17'59" East 1,332.73 feet to the northwest corner of the southeast quarter of the northeast quarter of the northeast quarter of said Section 28;
50. Thence, easterly along the north line of the southeast quarter of the northeast quarter of the northeast quarter of said Section 28, South 89°09'03" East 656.55 feet to a point in the east line of the northeast quarter of said Section 28;
51. Thence, northerly along the east line of the northeast quarter of said Section 28, North 00°35'48" East 669.70 feet to the northeast corner of said Section 28;
52. Thence, northerly along the west line of Section 22, said Township and Range, North 00°12'00" East 5,195.73 feet to the northwest corner of said Section 22;
53. Thence, northerly along the west line of Section 15, said Township and Range, North 00°00'00" East 2,640.00 feet to the northwest corner of the southwest quarter of said Section 15;
54. Thence, easterly along the south line of the north half of said Section 15, North 90°00'00" East 5,280.00 feet to the east quarter corner of said Section 15;
55. Thence, southerly along the east line of said Section 15, South 00°00'00" West 2,640.00 feet to the southeast corner of said Section 15;
56. Thence, southerly along the west line of Section 23, said Township and Range, South 00°00'00" West 2,640.00 feet to the west quarter corner of said Section 23;
57. Thence, easterly along the north line of the southwest quarter of said Section 23, North 90°00'00" East 660.00 feet to the northeast corner of the west half of the northwest quarter of the southwest quarter of said Section 23;
58. Thence, southerly along the east line of said west half of the northwest quarter of the southwest quarter of said Section 23, South 00°00'00" West 1,320.00 feet to the southeast corner of said west half;
59. Thence, easterly along the north line of the southwest quarter of the southwest quarter of said Section 23, North 90°00'00" East 660.00 feet to the northeast corner of said southwest quarter of the southwest quarter of Section 23;
60. Thence, southerly along the east line of said southwest quarter of the southwest quarter of Section 23, South 00°00'00" West 660.00 feet to the northwest corner of the southwest quarter of the southeast quarter of the southwest quarter of said Section 23;

61. Thence, easterly along the north line of said southwest quarter of the southeast quarter of the southwest quarter of Section 23, North 90°00'00" East 660.00 feet to the northeast corner of said southwest quarter of the southeast quarter of the southwest quarter;
62. Thence, southerly along the east line of said southwest quarter of the southeast quarter of the southwest quarter of Section 23, South 00°00'00" West 663.73 feet to the southeast corner of said southwest quarter of the southeast quarter of the southwest quarter of Section 23;
63. Thence, easterly along the south line of said Section 23, South 89°03'55" East 630.08 feet to the south quarter corner of said Section 23, as shown on County Surveyor's Book 1606 in the Office of said County Recorder;
64. Thence, easterly along the south line of the southeast quarter of said Section 23, as shown on last said County Surveyor's Book, South 89°03'55" East 2,723.76 feet to the southeast corner of said Section 23;
65. Thence, southerly along the west line of the northwest quarter of Section 25, said Township and Range, as shown on last said County Surveyor's Book, South 00°25'25" West 2,701.66 feet to the southwest corner of said northwest quarter of Section 25;
66. Thence, easterly along the north line of the southwest quarter of said Section 25, as shown on last said County Surveyor's Book, South 89°15'25" East 2,627.25 feet to the northeast corner of said southwest quarter of Section 25;
67. Thence, southerly along the west line of the northwest quarter of the southeast quarter of said Section 25, as shown on last said County Surveyor's Book, South 00°25'25" West 1,318.48 feet to the southwest corner of said northwest quarter of the southeast quarter;
68. Thence, easterly along the south line of the northwest quarter of the southeast quarter of said Section 25, South 89°15'27" East 1,303.11 feet to the southeast corner of said northwest quarter of the southeast quarter of Section 25;
69. Thence, southerly along the east line of the southwest quarter of the southeast quarter of said Section 25, South 00°02'00" East 1,318.57 feet to the southeast corner of said southwest quarter of the southeast quarter of Section 25;
70. Thence, easterly along the south line of the southeast quarter of said Section 25, as shown on last said County Surveyor's Book, South 89°15'29" East 1,313.62 feet to the southeast corner of said Section 25;
71. Thence, southerly along the east line of the northeast quarter of Section 36, said Township and Range, as shown on last said County Surveyor's Book, South 00°29'25" East 49.97 feet to the northwest corner of Section 31, Township 6 North, Range 16 West, San Bernardino Meridian;
72. Thence, easterly along the north line of the northwest quarter of Section 31, said Township and Range, as shown on last said County Surveyor's Book, South 89°36'20" East 2,593.60 feet to the north quarter corner of said Section 31;
73. Thence, easterly along the north line of the northeast quarter of said Section 31, as shown on last said County Surveyor's Book, South 89°40'25" East 2,640.30 feet to the northeast corner of said

Section 31;

74. Thence, southerly along the east line of said northeast quarter of Section 31, as shown on last said County Surveyor's Book, South 00°19'45" West 2,650.07 feet to the east quarter corner of said Section 31;

75. Thence, southerly along the east line of the southeast quarter of said Section 31, as shown on last said County Surveyor's Book, South 00°20'30" West 2,618.63 feet to the southeast corner of said Section 31;

76. Thence, easterly along the south line of Section 32, said Township and Range, North 90°00'00" East 5,280.00 feet to the southeast corner of said Section 32;

77. Thence, northerly along the northerly prolongation of the east line of Section 6, Township 5 North, Range 16 West, San Bernardino Meridian, North 00°20'11" East 5,238.63 feet to a point in the easterly prolongation of the north line of said Section 31;

78. Thence, easterly along last said easterly prolongation of the north line of Section 31, South 89°40'25" East 10,560.00 feet to a point in the northerly prolongation of the east line of Section 4, last said Township and Range;

79. Thence, southerly along last said northerly prolongation of the east line of Section 4, South 00°00'00" East 5,178.40 feet to the northeast corner of said Section 4;

80. Thence, westerly along the north line of said Section 4, North 90°00'00" West 2,850.79 feet to the north quarter corner of said Section 4;

81. Thence, southerly along the east line of the west half of said Section 4, South 00°00'00" West 7,005.91 feet to the south quarter corner of said Section 4;

82. Thence, southerly along the east line of the northwest quarter of Section 9, said Township and Range, South 00°00'00" West 2,640.00 feet to the southeast corner of said northwest quarter of Section 9;

83. Thence, westerly along the south line of said northwest quarter of Section 9, North 90°00'00" West 2,640.00 feet to the southwest corner of said northwest quarter of Section 9;

84. Thence, southerly along the east line of the southeast quarter of Section 8, said Township and Range, South 00°00'00" West 2,640.00 feet to the southeast corner of Section 8;

85. Thence, southerly along the east line of the northeast quarter of Section 17, said Township and Range, South 00°00'00" West 2,640.00 feet to the southeast corner of said northeast quarter of Section 17;

86. Thence, westerly along the south line of said northeast quarter of Section 17 and along the south line of the northwest quarter of said Section 17, North 90°00'00" West 5,280.00 feet to the southwest corner of said northwest quarter of Section 17;

87. Thence, southerly along the east line of the southeast quarter of Section 18, said Township and Range, South 00°06'34" East 2,640.00 feet to the southeast corner of Section 18;

88. Thence, southerly along the east line of the northeast quarter of Section 19, said Township and Range, as shown on Parcel Map No. 6252 recorded in Book 68, Pages 55 through 57, inclusive of Parcel Maps, in the Office of said County Recorder, South 01°50'59" West 2,663.97 feet to the southeast corner of said northeast quarter of Section 19;
89. Thence, westerly along the south line of said northeast quarter of Section 19, as shown on last said Parcel Map, North 89°43'15" West 2,585.94 feet to the southwest corner of said northeast quarter of Section 19;
90. Thence, southerly along the east line of the southwest quarter of said Section 19, as shown on last said Parcel Map, South 01°26'05" West 2,657.32 feet to the southeast corner of said southwest quarter of Section 19;
91. Thence, southerly along the east line of the northwest quarter of Section 30, said Township and Range, South 00°48'57" East 2,650.49 feet to the southeast corner of said northwest quarter of Section 30;
92. Thence, westerly along the south line of said northwest quarter of Section 30, North 89°37'43" West 1,294.45 feet to the northwest corner of the northeast quarter of the southwest quarter of said Section 30;
93. Thence, southerly along the west line of said northeast quarter of the southwest quarter of Section 30, South 00°28'51" East 2,638.99 feet to the southwest corner of the southeast quarter of said southwest quarter of Section 30;
94. Thence, easterly along the north line of the northwest quarter of Section 31, said Township and Range, North 89°48'09" East 1,308.67 feet to the north quarter corner of said Section 31;
95. Thence, easterly along the north line of the northeast quarter of said Section 31, South 89°33'36" East 2,633.40 feet to the northeast corner of said Section 31;
96. Thence, easterly along the north line of Section 32, said Township and Range, South 89°13'01" East 5,285.73 feet to the northeast corner of said Section 32;
97. Thence, easterly along the north line of Section 33, said Township and Range, South 89°30'06" East 5,291.01 feet to the northeast corner of said Section 33;
98. Thence, easterly along the south line of the southwest quarter of Section 27, said Township and Range, as shown on map filed in Book 112, Page 52 of Record of Surveys in the Office of said County Recorder, South 89°34'49" East 2,663.10 feet to the south quarter corner of said Section 27;
99. Thence, easterly along the south line of the southeast quarter of said Section 27, as shown on last said Record of Survey, South 89°45'44" East 2,684.52 feet to the southeast corner of said Section 27;
100. Thence, easterly along the north line of the northwest quarter of Section 35, said Township and Range, as shown on map filed in Book 93, Pages 82 through 84, inclusive of Record of Surveys, in the Office of said County Recorder, South 89°30'29" East 2,654.04 feet to the north quarter corner of said Section 35;
101. Thence, easterly along the north line of the northeast quarter of said Section 35, as shown on last said Record of Survey, South 89°30'29" East 2,653.99 feet to the northeast corner of said Section 35;

102. Thence, easterly along the north line of the northwest quarter of Section 36, said Township and Range, as shown on map filed in Book 103, Page 72 of Record of Surveys in the Office of said County Recorder, South 89°33'56" East 2,658.91 feet to the north quarter corner of said Section 36;

103. Thence, easterly along the north line of the northeast quarter of said Section 36, as shown on last said Record of Survey, South 89°35'00" East 2,681.22 feet to the northeast corner of said Section 36;

104. Thence, easterly along the north line of Section 31, Township 5 North, Range 15 West, San Bernardino Meridian, as shown on Parcel Map No. 14813 filed in Book 166, Pages 31 and 32 of Parcel Maps in the Office of said County Recorder, South 88°17'31" East 5,207.22 feet to the northeast corner of said Section 31;

105. Thence, easterly along the north line of the northwest quarter of Section 32, said Township and Range, as shown on map of Tract No. 30562 filed in Book 1136, Pages 37 through 42, inclusive of Maps, in the Office of said County Recorder, South 89°00'14" East 2,656.93 feet to the north quarter corner of said Section 32;

106. Thence, northerly along the west line of the southeast quarter of Section 29, said Township and Range, as shown on County Surveyor's Book 900-1 in the Office of said County Recorder, North 00°36'47" East 2,661.12 feet to the center of said Section 29;

107. Thence, easterly along the north line of said southeast quarter of Section 29, as shown on last said County Surveyor's Book, South 88°48'46" East 2,653.05 feet to the east quarter corner of said Section 29;

108. Thence, northerly along the east line of the northeast quarter of said Section 29, as shown on last said County Surveyor's Book, North 00°49'50" East 2,677.52 feet to the northeast corner of said Section 29;

109. Thence, easterly along the north line of the northwest quarter of Section 28, said Township and Range, as shown on map filed in Book 101, Page 28 of Record of Surveys in the Office of said County Recorder, South 89°55'22" East 2,669.72 feet to the north quarter corner of said Section 28;

110. Thence, easterly along the north line of the northeast quarter of said Section 28, as shown on last said Record of Survey, South 88°15'31" East 2,634.76 feet to the northeast corner of said Section 28;

111. Thence, easterly along the north line of the northwest quarter of Section 27, said Township and Range, as shown on last said County Surveyor's Book, South 88°20'05" East 2,682.32 feet to the north quarter corner of said Section 27;

112. Thence, southerly along the east line of the west half of said Section 27, as shown on last said County Surveyor's Book, South 00°01'05" West 5,188.32 feet to the south quarter corner of said Section 27;

113. Thence, easterly along the north line of the northeast quarter of Section 34, said Township and Range, as shown on last said County Surveyor's Book, North 87°12'35" East 2,687.85 feet to the northeast corner of said Section 34;

114. Thence, easterly along the southerly boundary of the Angeles National Forest, as shown on last said County Surveyor's Book, South 89°44'00" East 3,117.11 feet to an angle point in said southerly boundary;
115. Thence, continuing easterly along said southerly boundary of the Angeles National Forest, as shown on last said County Surveyor's Book, South 89°21'50" East 2,176.77 feet to the northeast corner of Section 35, said Township and Range;
116. Thence, easterly along the north line of Section 36, said Township and Range, as shown on last said County Surveyor's Book, North 89°44'50" East 5,244.39 feet to the northeast corner of said Section 36;
117. Thence, easterly along the north line of the northwest quarter of Section 31, Township 5 North, Range 14 West, San Bernardino Meridian, as shown on last said County Surveyor's Book, South 89°26'25" East 2,643.00 feet to the north quarter corner of said Section 31;
118. Thence, easterly along the north line of the northeast quarter of said Section 31, as shown on last said County Surveyor's Book, South 89°13'45" East 1,368.59 feet to the northeast corner of the west half of the northeast quarter of said Section 31;
119. Thence, southerly along the east line of said west half of the northeast quarter of Section 31 and along the east line of the west half of the southeast quarter of said Section 31, South 00°55'38" West 5,035.97 feet to the southeast corner of said west half of the southeast quarter of Section 31;
120. Thence, easterly along the south line of the east half of the southeast quarter of said Section 31, as shown on last said County Surveyor's Book, South 89°22'40" East 1,330.36 feet to the southeast corner of said Section 31;
121. Thence, easterly along the north line of the northwest quarter of Section 5, Township 4 North, Range 14 West, San Bernardino Meridian, as shown on map filed in Book 147, Page 57 of Record of Surveys in the Office of said County Recorder, South 89°14'31" East 2,683.80 feet to an angle point in said north line;
122. Thence, continuing easterly along said north line, as shown on last said Record of Survey, South 89°25'01" East 197.98 feet to the north quarter corner of said Section 5;
123. Thence, southerly along the east line of the northwest quarter of said Section 5, as shown on map filed in Book 198, Page 23 of Record of Surveys in the Office of said County Recorder, South 00°00'36" West 1,340.19 feet to the southeast corner of the north half of the northwest quarter of said Section 5, as shown on last said Record of Survey;
124. Thence, continuing south along the east line of said northwest quarter, as shown on last said Record of Survey, South 00°00'33" East 1,347.87 feet to the center of said Section 5;
125. Thence, southerly along the east line of the southwest quarter of said Section 5, as shown on map filed in Book 98, Page 11 of Record of Surveys and map filed in Book 128, Page 60 of Record of Surveys, both in the Office of said County Recorder, South 00°00'55" West 2,659.70 feet to the south quarter corner of said Section 5;
126. Thence, easterly along the north line of the northeast quarter of Section 8, said Township and

Range, as shown on map filed in Book 118, Page 71 of Record of Surveys in the Office of said County Recorder, South 89°32'37" East 2,594.32 feet to the northeast corner of said Section 8;

127. Thence, easterly along the north line of the northwest quarter of Section 9, said Township and Range, South 85°14'02" East 2,697.85 feet to the north quarter corner of said Section 9;

128. Thence, southerly along the east line of the west half of said Section 9, as shown on map filed in Book 119, Pages 98 and 99 of Record of Surveys in the Office of said County Recorder, South 02°05'33" East 5,532.64 feet to the south quarter corner of said Section 9;

129. Thence, southerly along the east line of the northwest quarter of Section 16, said Township and Range, as shown on map filed in Book 113, Pages 42 and 43 of Record of Surveys in the Office of said County Recorder, South 01°12'29" East 2,630.10 feet to the center of said Section 16;

130. Thence, westerly along the south line of the northwest quarter of said Section 16, as shown on last said Record of Survey, North 80°42'34" West 2,804.94 feet to the west quarter corner of said Section 16;

131. Thence, westerly along the south line of the north half of Section 17, said Township and Range, as shown on map filed in Book 107, Pages 81 and 82 of Record of Surveys in the Office of said County Recorder, South 89°57'49" West 5,551.82 feet to the west quarter corner of said Section 17;

132. Thence, southerly along the west line of the southwest quarter of said Section 17, as shown on last said Record of Survey, South 14°07'13" East 2,725.64 feet to the southeast corner of Section 18, said Township and Range;

133. Thence, westerly along the south line of the southeast quarter of said Section 18, as shown on map filed in Book 94, Page 49 of Record of Surveys in the Office of said County Recorder, North 89°13'24" West 2,611.79 feet to the north quarter corner of Section 19, said Township and Range;

134. Thence, southerly along the east line of the west half of Section 19, said Township and Range, as shown on map filed in Book 101, Page 31 of Record of Surveys in the Office of said County Recorder, South 09°38'05" West 5,399.26 feet to the south quarter corner of said Section 19;

135. Thence, westerly along the south line of the southwest quarter of said Section 19, as shown on last said Record of Survey, North 88°41'51" West 2,834.91 feet to the southwest corner of said Section 19;

136. Thence, southerly along the east line of Section 25, Township 4 North, Range 15 West, San Bernardino Meridian, as shown on Amending Map of Tract No. 52004 filed in Book 1253, Pages 16 through 34, inclusive of Maps, in the Office of said County Recorder, South 00°42'37" West 2,712.43 feet to the east quarter corner of said Section 25;

137. Thence, southerly along the east line of the southeast quarter of said Section 25, as shown on last said map, South 00°54'58" West 2,697.48 feet to the southeast corner of said Section 25;

138. Thence, southerly along the east line of the northeast quarter of Section 36, said Township and Range, as shown on map filed in Book 149, Pages 68 and 69 of Record of Surveys in the Office of said

County Recorder, South 00°28'04" West 2,654.48 feet to the east quarter corner of said Section 36;

139. Thence, southerly along the east line of the southeast quarter of said Section 36, as shown on last said Record of Survey, South 01°17'29" West 1,942.06 feet to the southeast corner of said Section 36;

140. Thence, southerly along the east line of Section 1, Township 3 North, Range 15 West, San Bernardino Meridian, as shown on map filed in Book 35, Page 16 of Record of Surveys in the Office of said County Recorder, South 00°02'03" West 2,495.93 feet to an angle point in said east line;

141. Thence, continuing southerly along said east line of Section 1, as shown on last said Record of Survey, South 00°56'03" West 2,990.96 feet to the southeast corner of said Section 1;

142. Thence, westerly along the south line of said Section 1, as shown on last said Record of Survey, North 89°11'12" West 4,550.45 feet to the southwest corner of said Section 1;

143. Thence, westerly along the south line of Section 2, said Township and Range, as shown on map filed in Book 91, Pages 3 and 4 of Record of Surveys in the Office of said County Recorder, North 88°58'34" West 5,393.92 feet to the southwest corner of said Section 2;

144. Thence, westerly along the south line of Section 3, said Township and Range, as shown on map filed in Book 32, Page 2 of Record of Surveys in the Office of said County Recorder, South 89°55'11" West 5,243.12 feet to the southwest corner of said Section 3;

145. Thence, westerly along the south lines of Sections 4 and 5, said Township and Range, as shown on last said Record of Survey, South 89°23'11" West 10,465.56 feet to the southwest corner of said Section 5;

146. Thence, southerly along the east line of Section 7, said Township and Range, as shown on last said Record of Survey, South 00°18'01" West 5,536.61 feet to the southeast corner of said Section 7;

147. Thence, southerly along the east line of Section 18, said Township and Range, as shown on last said Record of Survey, South 01°16'14" East 5,177.40 feet to the southeast corner of said Section 18;

148. Thence, westerly along the south line of Section 18, said Township and Range, as shown on County Surveyor's Book 468-3 in the Office of said County Recorder, North 88°22'39" West 5,309.81 feet to the southwest corner of said Section 18;

149. Thence, southerly along the east line of Section 24, Township 3 North, Range 16 West, San Bernardino Meridian, as shown on map filed in Book 146, Page 13 of Record of Surveys in the Office of said County Recorder, South 01°16'26" West 606.18 feet to a point in the northerly line of the boundary of the City of Los Angeles;

150. Thence, northwesterly along said City of Los Angeles boundary, as shown on last said Record of Survey, North 53°44'22" West 532.45 feet to the northerly corner of said boundary of the City of Los Angeles;

151. Thence, southwesterly along said City boundary, as shown on last said Record of Survey, South 48°01'14" West 1,248.31 feet to its westerly intersection with the southerly line of the north half of the north half of said Section 24;
152. Thence, westerly along the south line of the north half of the north half of said Section 24, North 89°40'04" West 4,548.99 feet to the southwest corner of the northwest quarter of the northwest quarter of said Section 24;
153. Thence, northerly along the west line of the north half of the north half of said Section 24, North 01°29'14" East 1,376.03 feet to the northwest corner of said Section 24;
154. Thence, westerly along the south line of the southeast quarter of Section 14, Township 3 North, Range 16 West, San Bernardino Meridian, as shown on County Surveyor's Book 5390 in the Office of said County Recorder, North 89°10'54" West 2,659.82 feet to the south quarter corner of Section 14;
155. Thence, northerly along the west line of the southeast quarter of said Section 14, as shown on last said County Surveyor's Book, North 00°01'00" East 1,259.57 feet to the northeast corner of the southeast quarter of the southwest quarter of said Section 14;
156. Thence, westerly along the north line of the south half of the southwest quarter of said Section 14, South 89°20'02" West 2,709.51 feet to the northwest corner of the south half of the southwest quarter of said Section 14;
157. Thence, northerly along the west line of the southwest quarter of said Section 14, as shown on last said County Surveyor's Book, North 02°21'45" West 1,191.23 feet to the west quarter corner of said Section 14;
158. Thence, westerly along the north line of the northeast quarter of the southeast quarter of Section 15, said Township and Range, as shown on map filed in Book 95, Page 82 of Record of Surveys in the Office of said County Recorder, North 87°48'49" West 1,263.20 feet to the northwest corner of the northeast quarter of the southeast quarter of Section 15;
159. Thence, southerly along the west line of the northeast quarter of the southeast quarter of said Section 15, South 01°01'12" East 1,205.10 feet to the southeast corner of the northwest quarter of the southeast quarter of said Section 15;
160. Thence, westerly along the south line of the northwest quarter of the southeast quarter of said Section 15, North 88°30'44" West 1,290.58 feet to the northwest corner of the southwest quarter of the southeast quarter of said Section 15;
161. Thence, southerly along the east line of the southeast quarter of the southwest quarter of said Section 15, South 00°17'28" West 1,219.61 feet to the south quarter corner of said Section 15;
162. Thence, westerly along the south line of the southeast quarter of the southwest quarter of said Section 15, North 89°05'36" West 1,319.51 feet to the southwest corner of the southeast quarter of the southwest quarter of said Section 15;
163. Thence, northerly along the west line of the east half of the southwest quarter of said Section 15, and along the west line of the east half of the northwest quarter of said Section 15, North 00°24'46" East 5,150.91 feet to the northwest corner of the east half of the northwest quarter of

said Section 15;

164. Thence, westerly along the north line of said Section 15, as shown on last said County Surveyor's Book, North 89°26'16" West 1,320.00 feet to the northwest corner of said Section 15;

165. Thence, westerly along the south line of Section 9, said Township and Range, as shown on last said County Surveyor's Book, North 89°28'27" West 5,381.87 feet to the southwest corner of said Section 9;

166. Thence, northerly along the west line of the southwest quarter of said Section 9, as shown on last mentioned County Surveyor's Book, North 00°00'22" West 2,664.04 feet to the west quarter corner of said Section 9;

167. Thence, northerly along the west line of the northwest quarter of said Section 9, as shown on last said County Surveyor's Book, North 03°17'51" East 2,635.43 feet to the northwest corner of said Section 9;

168. Thence, westerly along the south line of Section 5, said Township and Range, as shown on map filed in Book 96, Page 89 of Record of Surveys in the Office of said County Recorder, North 89°13'09" West 5,228.92 feet to the southwest corner of said Section 5;

169. Thence, westerly along the south line of the southeast quarter of Section 6, said Township and Range, as shown on County Surveyor's Book 1248 in the Office of said County Recorder, South 86°23'10" West 1,303.30 feet to the southwest corner of the east half of the southeast quarter of said Section 6;

170. Thence, northerly along the west line of the east half of the southeast quarter of said Section 6, North 00°07'42" West 2,549.63 feet to the northwest corner of the east half of the southeast quarter of said Section 6;

171. Thence, westerly along the north line of the west half of the southeast quarter of said Section 6, South 87°37'25" West 1,303.14 feet to the center of said Section 6;

172. Thence, westerly along the south line of the east half of the northwest quarter of said Section 6, South 87°38'50" West 1,271.10 feet to the southeast corner of the west half of the northwest quarter of said Section 6;

173. Thence, northerly along the east line of the west half of the northwest quarter of said Section 6, North 00°11'45" East 1,640.10 feet to the northeast corner of the west half of the northwest quarter of said Section 6;

174. Thence, North 16°44'36" West 653.97 feet to the southeast corner of the west half of the southwest quarter of projected Section 31, Township 4 North, Range 16 West, San Bernardino Meridian, being in said Rancho San Francisco, as shown on Licensed Surveyor's Map recorded in Book 25, Pages 6 through 20, inclusive of Record of Surveys, in the Office of said County Recorder;

175. Thence, northerly along the east line of the west half of the southwest quarter of said Section 31, North 00°18'31" East 2,640.20 feet to the northeast corner of the west half of the southwest quarter of said Section 31;

176. Thence, northerly along the west line of the southeast quarter of the northwest quarter of said Section 31, North 00°18'31" East 1,319.86 feet to the northwest corner of the southeast quarter of the northwest quarter of said Section 31;

177. Thence, easterly along the north line of the southeast quarter of the northwest quarter of said Section 31, South 89°42'01" East 1,320.00 feet to the southwest corner of the northwest quarter of the northeast quarter of said Section 31;

178. Thence, easterly along the south line of the northwest quarter of the northeast quarter of said Section 31, South 89°42'01" East 1,320.00 feet to the southeast corner of the northwest quarter of the northeast quarter of said Section 31;

179. Thence, northerly along the west line of the northeast quarter of the northeast quarter of said Section 31, North 00°18'31" East 1,319.90 feet to the northwest corner of the northeast quarter of the northeast quarter of said Section 31;

180. Thence, easterly along the north line of the northeast quarter of the northeast quarter of said Section 31, South 89°42'04" East 1,320.00 feet to the northeast corner of said Section 31;

181. Thence, northerly along the east line of Section 30, said Township and Range, North 00°17'42" East 2,910.07 feet to the southerly corner of Lot 14, as shown on last mentioned Licensed Surveyor's Map;

182. Thence, northwesterly along the northeasterly boundary of that certain parcel of land known as Pico Project No. 1, as shown on map filed in Book 27, Pages 19 through 21 and Pages 32 through 39 of Record of Surveys in the Office of said County Recorder, North 54°08'31" West 8,134.57 feet to point marked "VIII" as shown on map filed in Book 94, Pages 2 through 4, inclusive of Record of Surveys, in the Office of said County Recorder;

Thence, southeasterly, southerly and westerly along the boundary of said Parcel Map No. 24500-01 filed in Book 293, Pages 34 through 67, inclusive of Parcel Maps, in the Office of said County Recorder, the following courses:

183. South 38°11'23" West 684.64 feet;

184. South 55°59'46" West 4,973.48 feet;

185. South 17°36'15" West 2,441.03 feet;

186. South 71°55'18" East 1,373.07 feet;

187. South 49°21'27" East 3,393.44 feet;

188. South 02°10'19" East 5,390.82 feet;

189. South 88°23'49" West 6,619.30 feet;

190. South 01°12'31" East 9,937.26 feet;

191. South 83°08'30" West 3,550.94 feet;

192. South 00°19'05" West 396.49 feet;

193. North 89°45'02" West 3,233.89 feet;
194. North 54°10'43" West 2,642.41 feet;
195. North 21°46'47" West 2,620.75 feet to the south line of the north half of projected Section 9, Township 3 North, Range 17 West, San Bernardino Meridian, said south line being North 21°57' West 2,764 (plus or minus) feet along the Los Angeles/Ventura County Line from the southwesterly line of the land described in the deed to the Newhall Land and Farming Company recorded June 21, 1910 in Book 127, Page 104 of Deeds in the Office of the County Recorder of Ventura County;
196. Thence, westerly, leaving said County Line and along said south line of the north half of projected Section 9 and projected Section 8, Township 3 North, Range 17 West, San Bernardino Meridian, North 89°42'12" West 2,400.28 feet to a point in the southerly line of Tract N, in Rancho Simi, per map recorded in Book 3, Page 7 of Maps in the Office of said Ventura County;
197. Thence, along said southerly line of Tract N, North 54°28' 00 West 518.06 feet to an angle point in the southerly line of Tract N in said Rancho Simi;
198. Thence, southwesterly along the southeasterly line of said Tract N, South 70°26' 00" West 879.69 feet to the south line of the north half of said Section 8;
199. Thence, westerly along said south line, North 89°42'12" West 2,855.33 feet to the west quarter corner of said Section 8;
200. Thence, southerly along last said west line, South 00°17'48" West 1,031.54 feet to the southerly line of said Tract N;
201. Thence, South 70°26' 00" West 11,229.28 feet to a point in the west line of projected Section 13, Township 3 North, Range 18 West, San Bernardino Meridian;
202. Thence, northerly along the west line of said Section 13 and along the west line of projected Section 12, said Township and Range, North 00°17'48" East 7,487.28 feet to the northwest corner of said Section 12;
203. Thence, westerly along the south line of Section 2, said Township and Range, North 89°42'12" West 5,280.61 feet to the southwest corner of said Section 2;
204. Thence, northerly along the west line of said Section 2, North 00°17'48" East 5,477.83 feet to the southerly line of said Rancho San Francisco;
205. Thence, westerly along said southerly line of Rancho San Francisco, North 88°34'00" West 179.95 feet to the southerly terminus of the westerly line of the parcel marked the Newhall Land and Farming Company on Licensed Surveyor's Map filed in Book 3, Page 74 of Record of Surveys in the Office of said Ventura County Recorder;
206. Thence, northerly along last said westerly line, North 0°32'37" East 9,636.39 feet to the northerly line of the Southern Pacific Railroad Company (Saugus branch) Right-of-Way, 100 feet wide, as shown on map filed in Book 49, Page 35 of Record of Surveys in the Office of said Ventura County Recorder, said point being on a non-tangent curve, concave northerly, having a radius of 523.13 feet, a radial line through said point bears South 18°53'07" West;

Thence, easterly along the northerly lines of said Southern Pacific Railroad Company Right-of-Way, the following courses:

207. Easterly along said curve through a central angle of 38°09'41" an arc distance of 348.43 feet to the beginning of a compound curve, concave northerly, a radius of 714.08 feet;
208. Northeasterly along said curve through a central angle of 02°15'00" an arc distance of 28.04 feet to the beginning of a compound curve, concave northerly, a radius of 1,096.01 feet;
209. Northeasterly along said curve through a central angle of 01°30'00" an arc distance of 28.69 feet to the beginning of a compound curve, concave northwesterly, a radius of 2,241.88 feet;
210. Northeasterly along said curve through a central angle of 00°45'00" an arc distance of 29.35 feet;
211. Tangent to said curve North 66°13'26" East 104.67 feet to the beginning of a tangent curve, concave southeasterly, a radius of 2,341.88 feet;
212. Northeasterly along said curve through a central angle of 00°45'00" an arc distance of 30.66 feet to the beginning of a compound curve, concave southerly, a radius of 1,196.01 feet;
213. Northeasterly along said curve through a central angle of 01°30'00" an arc distance of 31.31 feet to the beginning of a compound curve, concave southerly, a radius of 814.08 feet;
214. Northeasterly along said curve through a central angle of 02°15'00" an arc distance of 31.97 feet to the beginning of a compound curve, concave southerly, a radius of 623.13 feet;
215. Easterly along said curve through a central angle of 39°50'20" an arc distance of 433.27 feet to the beginning of a compound curve, concave southerly, a radius of 814.08 feet;
216. Southeasterly along said curve through a central angle of 02°15'00" an arc distance of 31.97 feet to the beginning of a compound curve, concave southwesterly, a radius of 1,196.01 feet;
217. Southeasterly along said curve through a central angle of 01°30'00" an arc distance of 31.31 feet to the beginning of a compound curve, concave southwesterly, a radius of 2,341.88 feet;
218. Southeasterly along said curve through a central angle of 00°45'00" an arc distance of 30.66 feet;
219. Tangent to said curve South 64°56'14" East 105.95 feet to the beginning of a tangent curve, concave northeasterly, a radius of 2,241.88 feet;
220. Southeasterly along said curve through a central angle of 00°45'00" an arc distance of 29.35 feet to the beginning of a compound curve, concave northeasterly, a radius of 1,096.01 feet;
221. Southeasterly along said curve through a central angle of 01°30'00" an arc distance of 28.69 feet to the beginning of a compound curve, concave northerly, a radius of 714.08 feet;
222. Southeasterly along said curve through a central angle of 02°15'00" an arc distance of 28.04 feet to the beginning of a compound curve, concave northerly, a radius of 523.11 feet;
223. Easterly along said curve through a central angle of 36°55'10" an arc distance of 337.07 feet to the beginning of a compound curve, concave northerly, a radius of 586.78 feet;

224. Northeasterly along said curve through a central angle of $02^{\circ}42'00''$ an arc distance of 27.65 feet to the beginning of a compound curve, concave northerly, a radius of 666.34 feet;
225. Northeasterly along said curve through a central angle of $02^{\circ}24'00''$ an arc distance of 27.91 feet to the beginning of a compound curve, concave northwesterly, a radius of 768.64 feet;
226. Northeasterly along said curve through a central angle of $02^{\circ}06'00''$ an arc distance of 28.17 feet to the beginning of a compound curve, concave northwesterly, a radius of 905.04 feet;
227. Northeasterly along said curve through a central angle of $01^{\circ}48'00''$ an arc distance of 28.43 feet to the beginning of a compound curve, concave northwesterly, a radius of 1,096.01 feet;
228. Northeasterly along said curve through a central angle of $01^{\circ}30'00''$ an arc distance of 28.69 feet to the beginning of a compound curve, concave northwesterly, a radius of 1,382.47 feet;
229. Northeasterly along said curve through a central angle of $01^{\circ}12'00''$ an arc distance of 28.95 feet to the beginning of a compound curve, concave northwesterly, a radius of 1,859.91 feet;
230. Northeasterly along said curve through a central angle of $00^{\circ}54'00''$ an arc distance of 29.22 feet to the beginning of a compound curve, concave northwesterly, a radius of 2,814.82 feet;
231. Northeasterly along said curve through a central angle of $00^{\circ}36'00''$ an arc distance of 29.48 feet to the beginning of a compound curve, concave northwesterly, a radius of 5,679.60 feet;
232. Northeasterly along said curve through a central angle of $00^{\circ}18'00''$ an arc distance of 29.74 feet;
233. Tangent to said curve North $60^{\circ}08'36''$ East 862.06 feet to the beginning of a tangent curve, concave northwesterly, a radius of 11,409.17 feet;
234. Northeasterly along said curve through a central angle of $00^{\circ}09'00''$ an arc distance of 29.87 feet to the beginning of a compound curve, concave northwesterly, a radius of 5,679.60 feet;
235. Northeasterly along said curve through a central angle of $00^{\circ}18'00''$ an arc distance of 29.74 feet to the beginning of a compound curve, concave northwesterly, a radius of 3,769.75 feet;
236. Northeasterly along said curve through a central angle of $00^{\circ}27'00''$ an arc distance of 29.61 feet to the beginning of a compound curve, concave northwesterly, a radius of 2,814.83 feet;
237. Northeasterly along said curve through a central angle of $00^{\circ}36'00''$ an arc distance of 29.48 feet to the beginning of a compound curve, concave northwesterly, a radius of 2,241.88 feet;
238. Northeasterly along said curve through a central angle of $00^{\circ}45'00''$ an arc distance of 29.35 feet to the beginning of a compound curve, concave northwesterly, a radius of 1,859.91 feet;
239. Northeasterly along said curve through a central angle of $00^{\circ}54'00''$ an arc distance of 29.22 feet to the beginning of a compound curve, concave northwesterly, a radius of 1,587.07 feet;
240. Northeasterly along said curve through a central angle of $05^{\circ}30'00''$ an arc distance of 152.35

feet to the intersection with the third course, recited as "South 28°08' East 1,089.96 feet" in deed to J.S. Sharp recorded March 26, 1921 in Book 180, Page 101 of Deeds in the Office of said Ventura County Recorder;

Thence, along the boundary of last said deed, the following 3 courses:

241. South 27°35'35" East 1,089.96 feet;

242. North 44°30'25" East 247.20 feet;

243. North 26°42'38" East 1,629.36 feet to the northerly line of said Southern Pacific Railroad Company Right-of-Way, said point being on a non-tangent curve concave southerly having a radius of 2,914.83 feet, a radial line through said point bears North 06°49'19" East;

Thence, easterly along said northerly lines of Southern Pacific Railroad Company Right-of-Way, the following courses:

244. Easterly along said curve through a central angle of 00°33'38" an arc distance of 28.52 feet to the beginning of a compound curve, concave southerly, a radius of 5,779.60 feet;

245. Easterly along said curve through a central angle of 00°18'00" an arc distance of 30.26 feet;

246. Tangent to said curve South 82°19'03" East 41.30 feet to the beginning of a tangent curve, concave northerly, a radius of 2,241.88 feet;

247. Easterly along said curve through a central angle of 00°45'00" an arc distance of 29.35 feet to the beginning of a compound curve, concave northerly, a radius of 1,096.01 feet;

248. Easterly along said curve through a central angle of 01°30'00" an arc distance of 28.69 feet to the beginning of a compound curve, concave northerly, a radius of 714.13 feet;

249. Easterly along said curve through a central angle of 07°31'49" an arc distance of 93.86 feet to the beginning of a compound curve, concave northerly, a radius of 1,096.01 feet;

250. Easterly along said curve through a central angle of 01°30'00" an arc distance of 28.69 feet to the beginning of a compound curve, concave northerly, a radius of 2,241.88 feet;

251. Easterly along said curve through a central angle of 00°45'00" an arc distance of 29.35 feet;

252. Tangent to said curve North 85°39'08" East 206.01 feet to the beginning of a tangent curve, concave southerly, a radius of 5,779.60 feet;

253. Easterly along said curve through a central angle of 00°18'00" an arc distance of 30.26 feet to the beginning of a compound curve, concave southerly, a radius of 2,914.82 feet;

254. Easterly along said curve through a central angle of 00°36'00" an arc distance of 30.52 feet to the beginning of a compound curve, concave southerly, a radius of 1,959.91 feet;

255. Easterly along said curve through a central angle of $00^{\circ}54'00''$ an arc distance of 30.79 feet to the beginning of a compound curve, concave southerly, a radius of 1,482.47 feet;

256. Easterly along said curve through a central angle of $01^{\circ}12'00''$ an arc distance of 31.05 feet to the beginning of a compound curve, concave southerly, a radius of 1,196.01 feet;

257. Easterly along said curve through a central angle of $01^{\circ}30'00''$ an arc distance of 31.31 feet to the beginning of a compound curve, concave southerly, a radius of 1,005.04 feet;

258. Easterly along said curve through a central angle of $01^{\circ}48'00''$ an arc distance of 31.57 feet to the beginning of a compound curve, concave southerly, a radius of 868.64 feet;

259. Easterly along said curve through a central angle of $02^{\circ}06'00''$ an arc distance of 31.84 feet to the beginning of a compound curve, concave southerly, a radius of 766.34 feet;

260. Easterly along said curve through a central angle of $02^{\circ}24'00''$ an arc distance of 32.10 feet to the beginning of a compound curve, concave southwesterly, a radius of 997.80 feet to the southwesterly corner of the land described in deed to George B. Larinan recorded February 8, 1957 in Book 141, Page 238 of Official Records in the Office of said Ventura County Recorder;

Thence, southeasterly along the southwesterly lines of last said deed and along the northeasterly lines of said Southern Pacific Railroad Company Right-of-Way, the following courses:

261. Southeasterly along said curve through a central angle of $21^{\circ}19'42''$ an arc distance of 371.43 feet;

262. Tangent to said curve South $62^{\circ}13'10''$ East 41.15 feet to the beginning of a tangent curve, concave southwesterly, having a radius of 1,703.75 feet;

263. Southeasterly along said curve through a central angle of $23^{\circ}18'05''$ an arc distance of 692.89 feet;

264. Tangent to said curve South $38^{\circ}55'05''$ East 66.43 feet to the beginning of a tangent curve, concave northeasterly, having a radius of 2525.00 feet;

265. Southeasterly along said curve through a central angle of $09^{\circ}57'45''$ an arc distance of 439.04 feet;

266. Tangent to said curve South $48^{\circ}52'50''$ East 731.04 feet to a one inch pipe set at the most southerly corner of last said deed;

Thence, along the easterly lines of last said deed, the following courses:

267. North $28^{\circ}02'09''$ East 233.36 feet to a one and one-half inch iron pipe set at an angle point;

268. North $3^{\circ}12'31''$ West 686.99 feet to a one and one-half inch iron pipe set at an angle point;

269. North $8^{\circ}49'31''$ West 812.92 feet to a one and one-half inch iron pipe set at an angle

point;

270. North 57°21'29" East 752.49 feet to a one inch iron pipe set at an angle point;

271. North 60°46'54" East 2,567.91 feet to a one inch iron pipe set at an angle point;

272. North 19°03'29" East 1,554.65 feet to a two inch iron pipe set on the northerly line of said Rancho San Francisco at the most easterly corner of said land of George B. Larinan;

273. Thence, easterly along said northerly line of the Rancho San Francisco North 87°31'59" East 3,097.60 feet to the POINT OF BEGINNING.

Exception #1

Except therefrom the west half of the west half of the northeast quarter of Fractional Section 15, Township 4 North, Range 17 West, San Bernardino Meridian, described as follows:

Commencing at the northwest corner of said Fractional Section 15, as shown on said Parcel Map No. 24500-01;

Thence, east along the north line of said Fractional Section 15, South 89°20'53" East 2,646.10 feet to the north quarter corner of said Fractional Section 15, said point being the TRUE POINT OF BEGINNING;

E1. Thence, along the north line of the of the northeast quarter of said Fractional Section 15, South 89°20'53" East 661.52 feet to the northeast corner of the west half of the west half of the northeast quarter of said Fractional Section 15;

E2. Thence, along the east line of said west half of the west half of the northeast quarter of Fractional Section 15, South 00°48'13" West 2,568.48 feet to the southeast corner of said west half of the west half of the northeast quarter of Fractional Section 15;

E3. Thence, along the south line of said west half of the west half of the northeast quarter of Fractional Section 15, South 89°58'27" West 662.90 feet to the southwest corner of said west half of the west half of the northeast quarter of Fractional Section 15;

E4. Thence, along the west line of said west half of the west half of the northeast quarter of Fractional Section 15, North 00°49'58" East 2,576.32 feet to the TRUE POINT OF BEGINNING.

Exception #2

Also except therefrom the southeast quarter of the southeast quarter of Section 10, Township 4 North, Range 17 West, San Bernardino Meridian, described as follows:

Beginning at the southeast corner of said Section 10, as shown on map filed in Book 202, Pages 16 and 17 of Record of Surveys in the Office of said County Recorder;

E5. Thence, west along the south line of said Section 10, North 89°20'53" West 1,323.02 feet to the southwest corner of the southeast quarter of the southeast quarter of said Section 10;

E6. Thence, along the west line of said southeast quarter of the southeast quarter of Section

10, North 00°47'55" East 1,323.55 feet to the northwest corner of said southeast quarter of the southeast quarter of Section 10;

E7. Thence, along the north line of said southeast quarter of the southeast quarter of Section 10, South 89°15'00" East 1,321.42 feet to the northeast corner of said southeast quarter of the southeast quarter of Section 10;

E8. Thence, along the east line of said southeast quarter of the southeast quarter of Section 10, South 00°43'47" West 1,321.28 feet to the POINT OF BEGINNING.

Area:

Total Property: 125,366 acres

Exception #1: 39.10 acres

Exception #2: 40.14 acres

Containing (Net): 125,286.50 acres

EXHIBIT "B"

Santa Clarita Valley Water Agency (SCVWA)

Sheet 1A of 25
VICINITY MAP

Lancaster

Lake Elizabeth

Sespe Wilderness

Los Angeles County
Ventura County

Lake Piru

Val Verde

Castaic Lake

Santa Clarita

Santa Paula Freeway

Angeles National Forest

Simi Valley

Los Angeles

San Fernando

Bouquet Reservoir

Palmdale

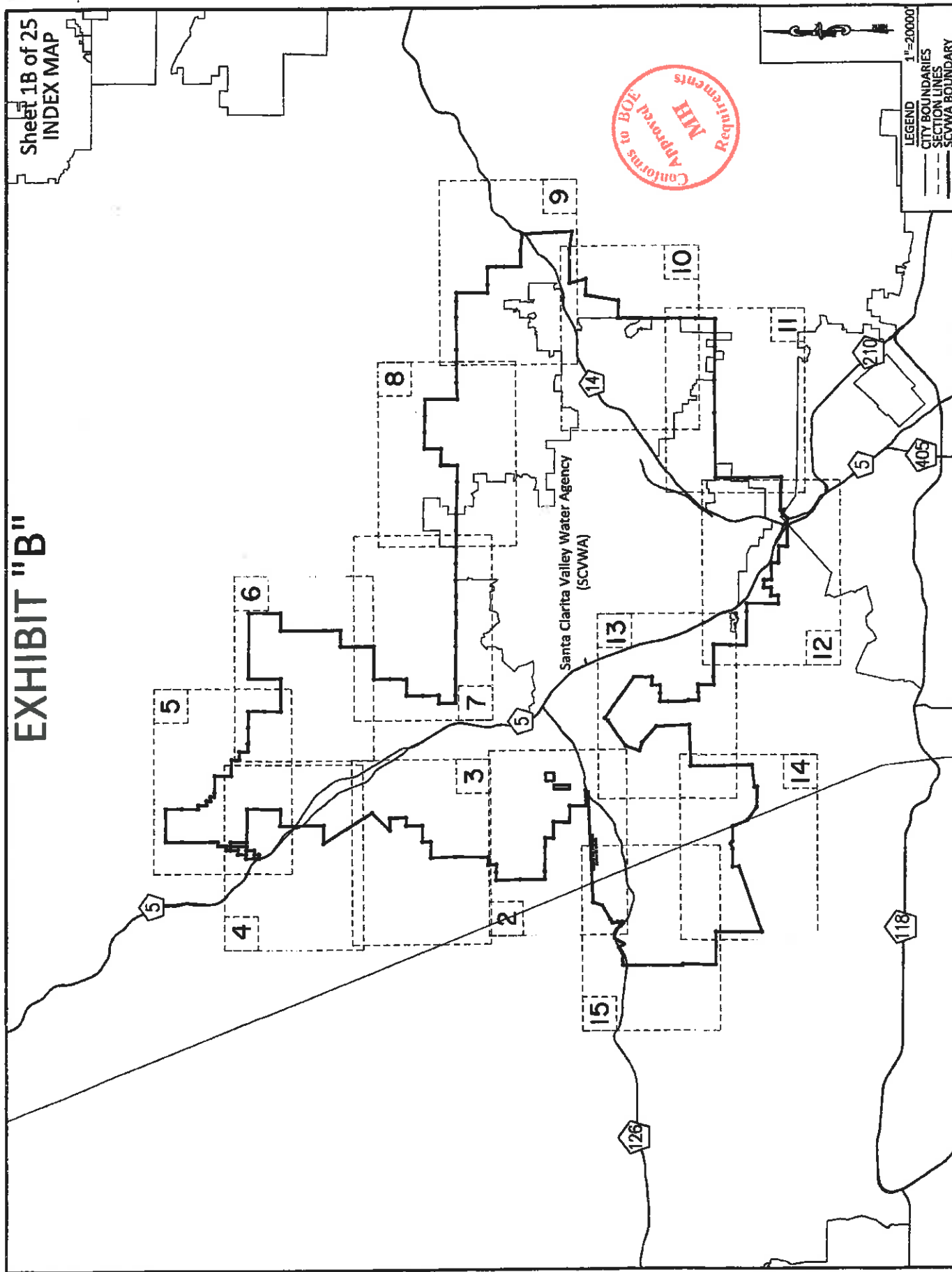


LEGEND

- 1"=20000'
- CITY BOUNDARIES
- SECTION LINES
- SCVWA BOUNDARY

EXHIBIT "B"

Sheet 18 of 25
INDEX MAP



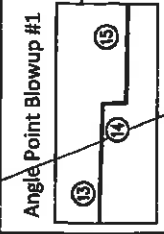
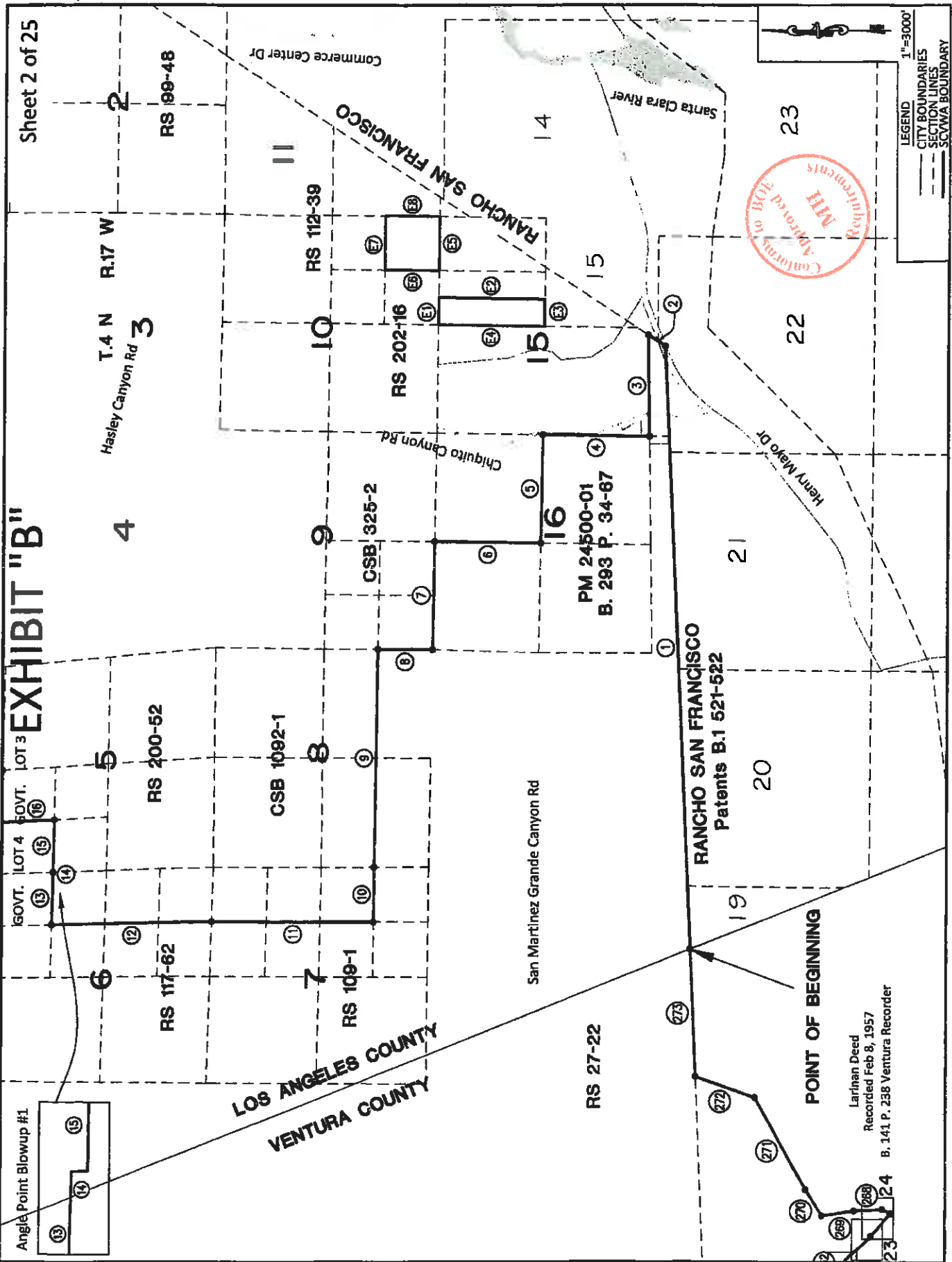


EXHIBIT "B"

Sheet 2 of 25



POINT OF BEGINNING

Larlan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

1"=3000'

LEGEND

- CITY BOUNDARIES
- SECTION LINES
- SCVMA BOUNDARY

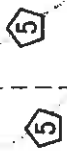
EXHIBIT "B"

Sheet 3 of 25

Angeles National Forest

Angeles National Forest

CSB 5486



16

15

14

Gov't Lot 5
Gov't Lot 4
Gov't Lot 3

(27)

(28)

RANCHO TEMASCAL

21

22

23

Romero Canyon Rd

(22)

(21)

(20)

29

28

CSB 1226

26

RS 152-79

Sloan Canyon Rd

Sloan Canyon Rd

Hasley Canyon Rd

33

32

35

Hillcrest Pkwy

Oak Canyon Rd

T.5 N.

T.4 N.

R.17 W



LEGEND
1"=3000'
--- CITY BOUNDARIES
--- SECTION LINES
--- SCWA BOUNDARY

EXHIBIT "B"

Sheet 4 of 25
23

22

27

28

26

33

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9

Elderberry Forebay

CSB 1606

PM 11280
B. 120 P. 62-63

RS 183-64

CSB 1226

Ridge Route Rd

T.6 N.
T.5 N.
R.17 W.

RANCHO TEMASCAL

Angeles National Forest



LEGEND 1"=3000'

- CITY BOUNDARIES
- SECTION LINES
- SCVWA BOUNDARY

EXHIBIT "B"

Sheet 5 of 25

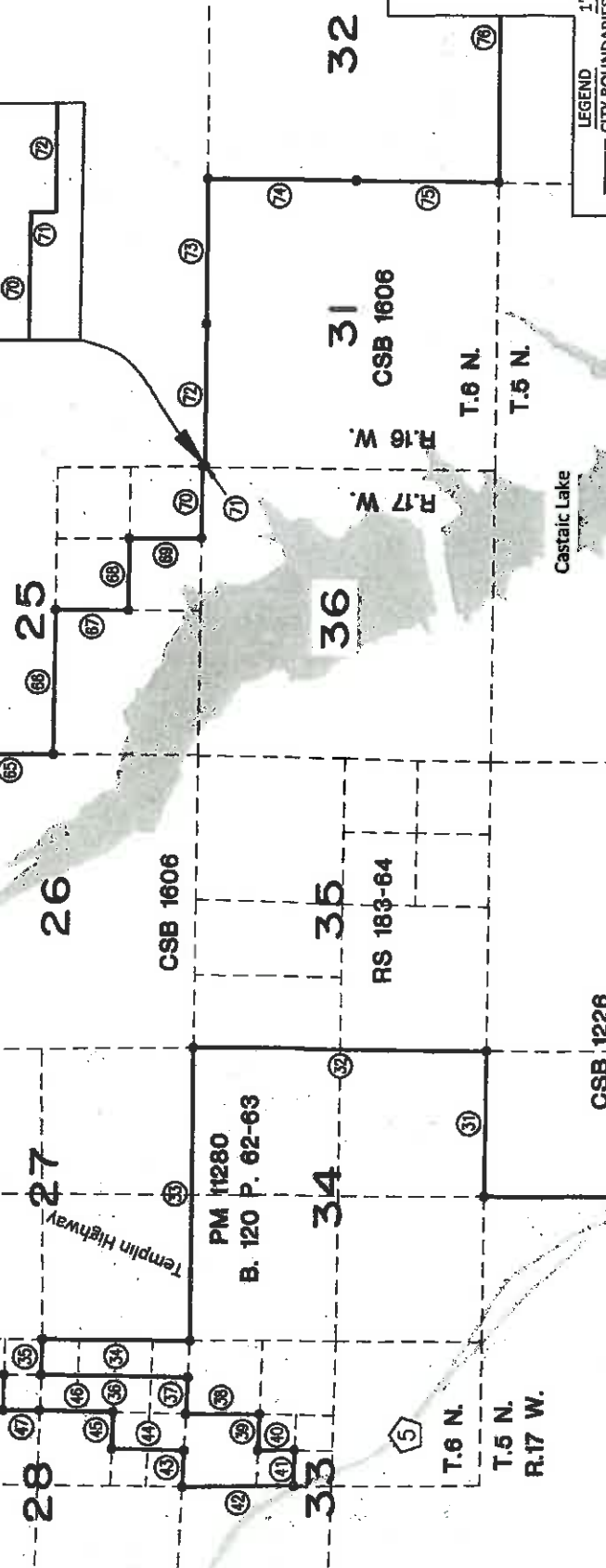
Angeles National Forest



Angle Point Blowup #2



Elderberry Forebay



LEGEND 1"=3000'

- CITY BOUNDARIES
- SECTION LINES
- SCWA BOUNDARY

EXHIBIT "B"

Sheet 6 of 25

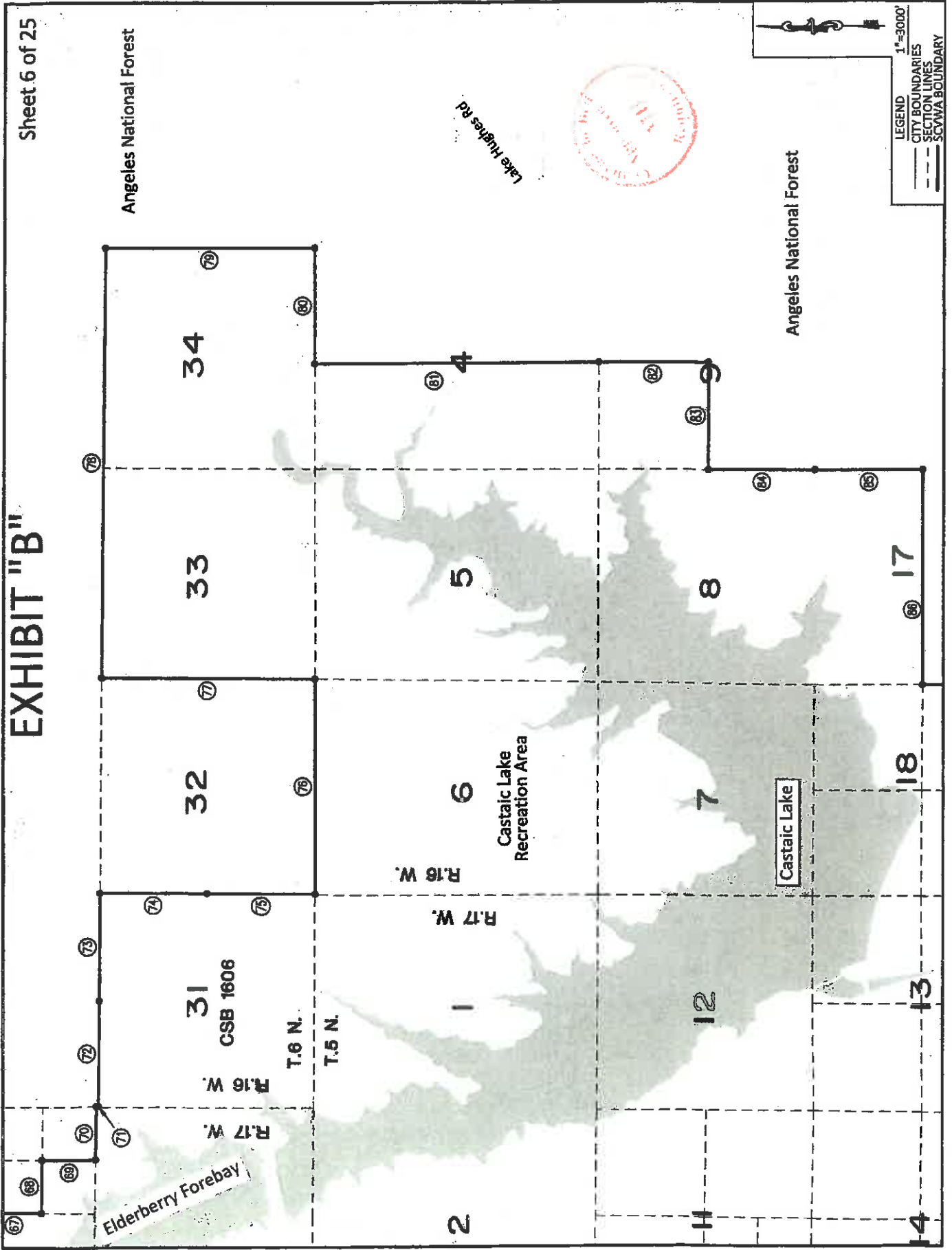
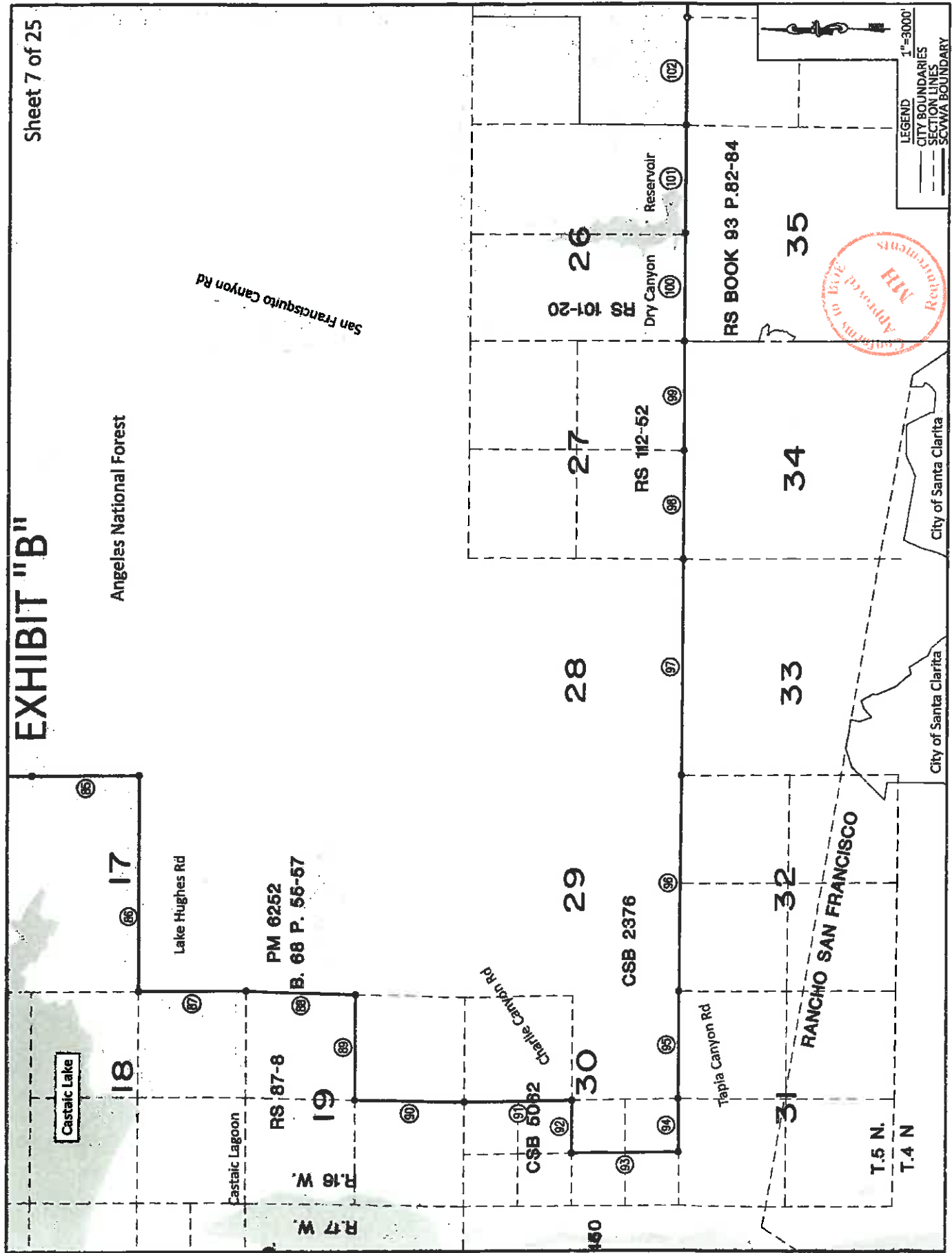


EXHIBIT "B"

Sheet 7 of 25



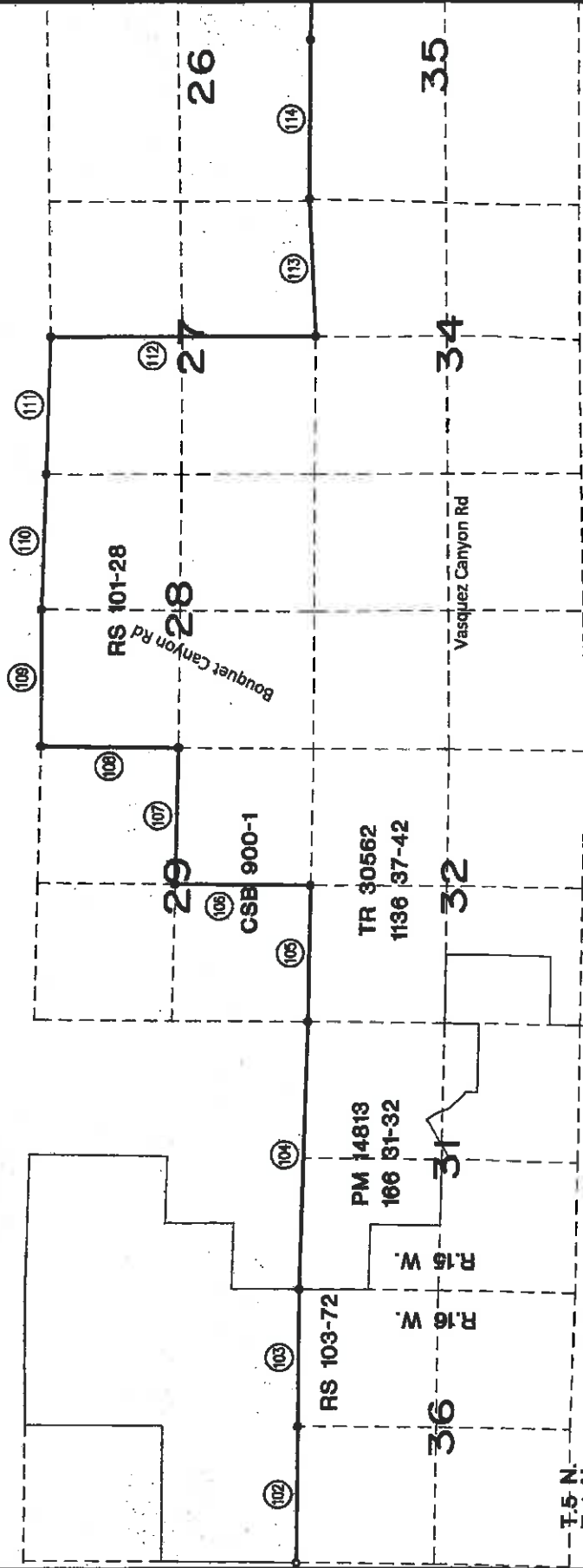
LEGEND
1"=3000'
CITY BOUNDARIES
SECTION LINES
SCWA BOUNDARY



EXHIBIT "B"

Sheet 8 of 25

Angeles National Forest



City of Santa Clarita

Copper Hill Dr

1"=3000'

LEGEND

- CITY BOUNDARIES
- SECTION LINES
- SCVWA BOUNDARY

Approved for BOE Requirements

EXHIBIT "B"

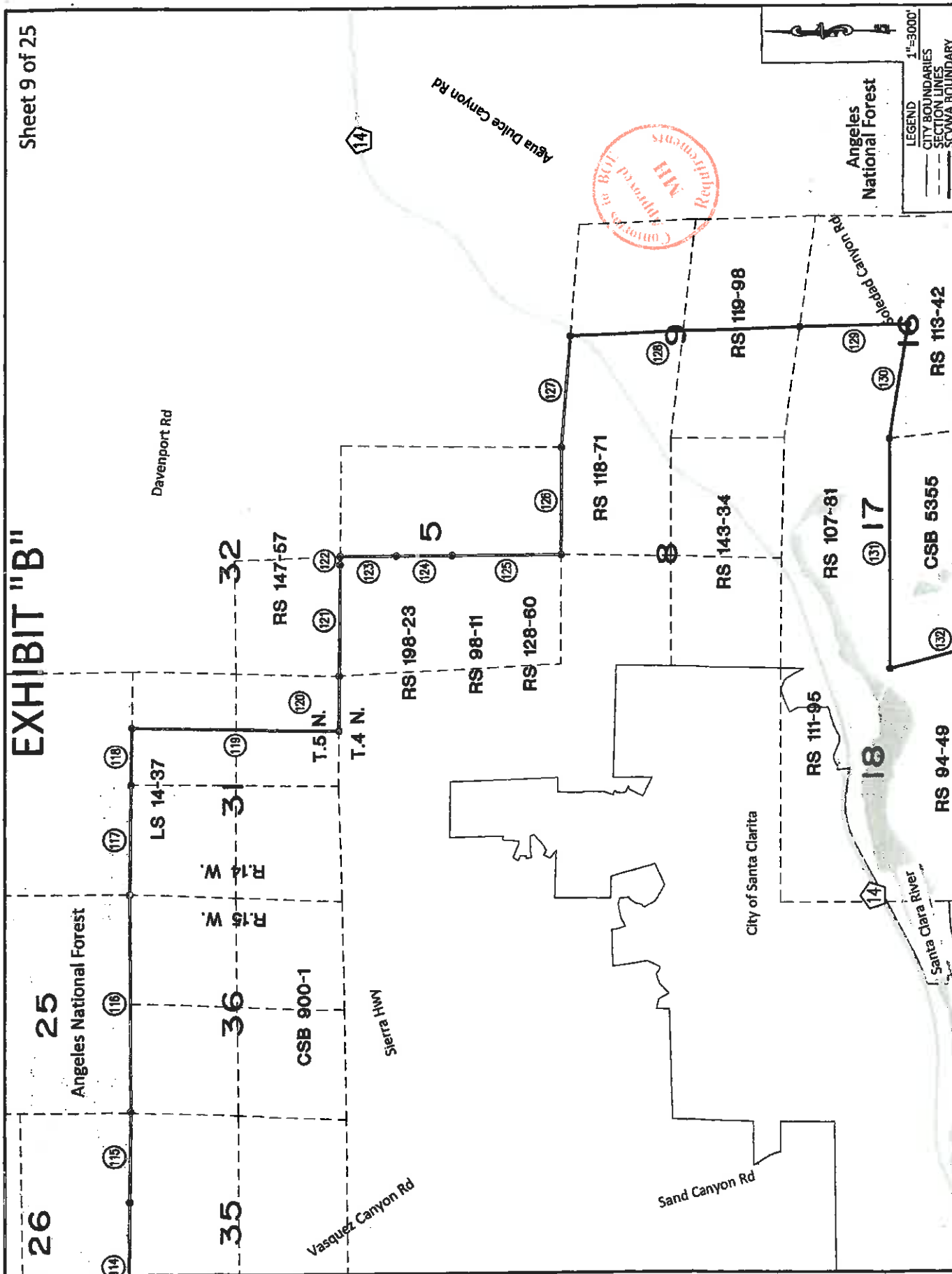


EXHIBIT "B"

Sheet 10 of 25

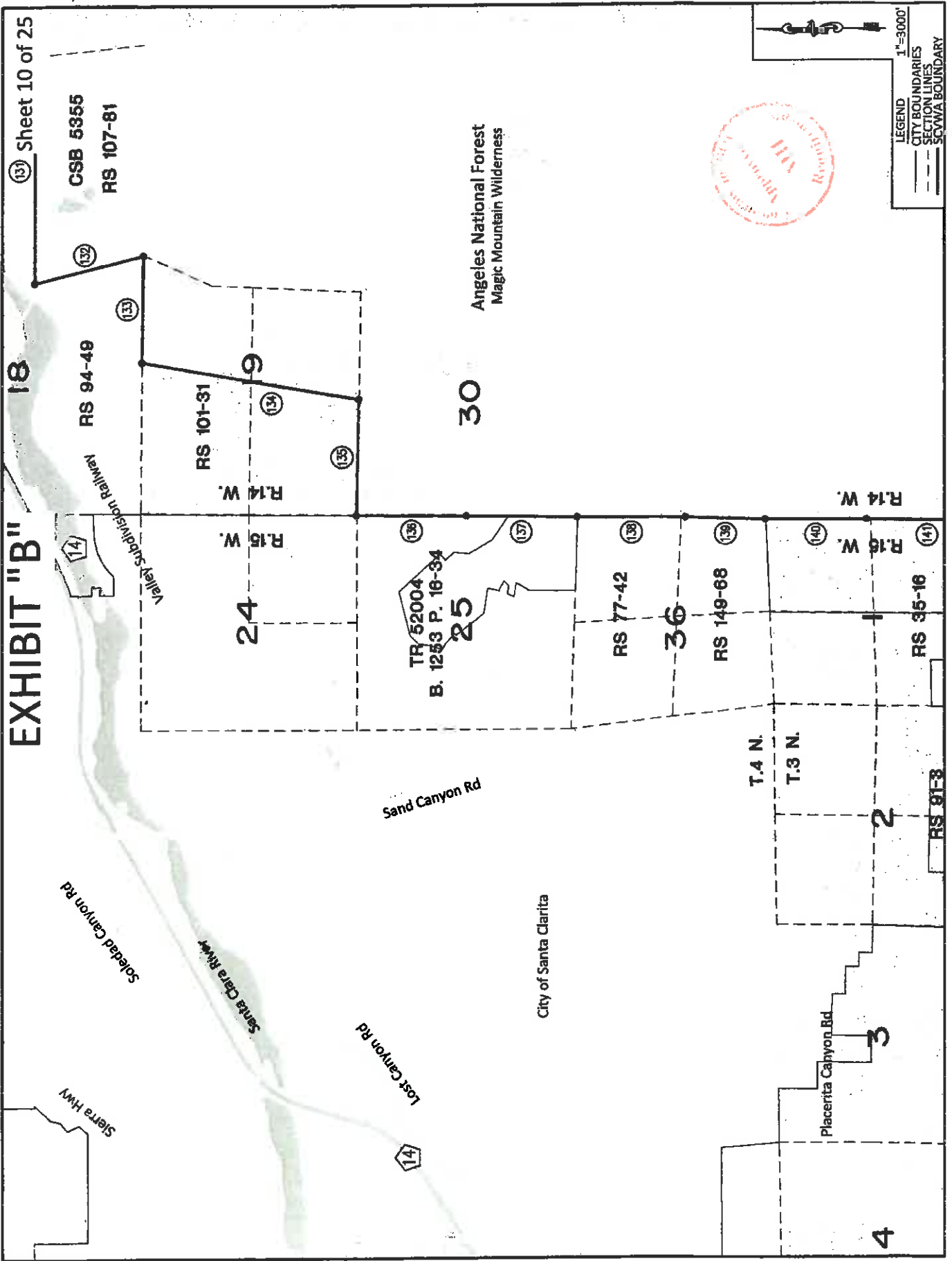


EXHIBIT "B"

Sheet 11 of 25

City of Santa Clarita

Sand Canyon Rd

T.4 N.

T.3 N.

Placerita Canyon Rd

RS 157-87

RS 32-2

RS 91-3

RS 35-16

RS 149-68

R.14 W.
R.15 W.

Angeles National Forest
Placerita Canyon State Park

CSB 468-3



LEGEND
— CITY BOUNDARIES
--- SECTION LINES
--- SCVWA BOUNDARY

1"=3000'



EXHIBIT "B"

Sheet 12 of 25

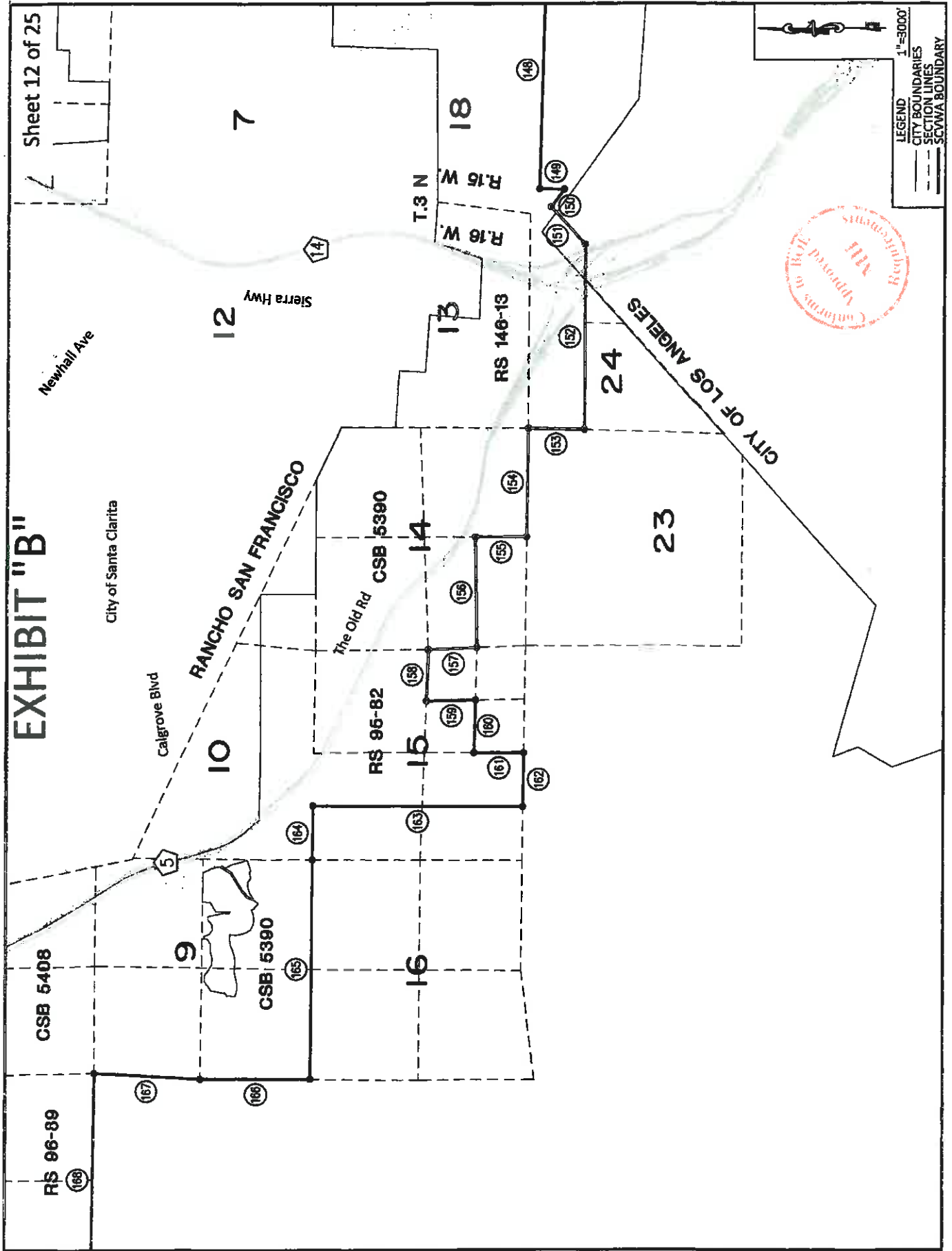


EXHIBIT "B"

24

"VII"

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RS 94-2 RS 27-19

PM 24500-01
B. 293 P. 34-67

Pico Project #1

RS 27-32

26

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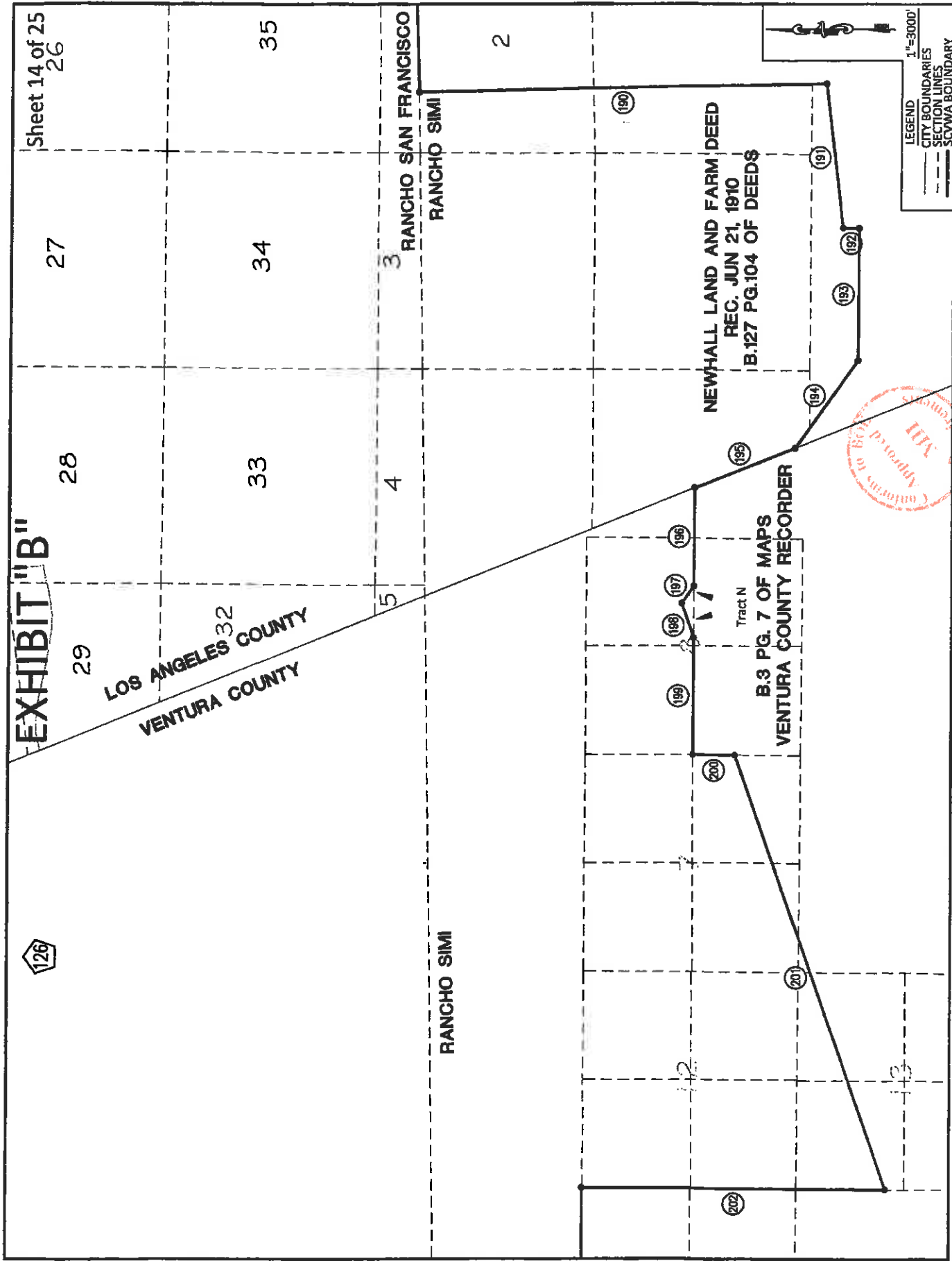


EXHIBIT "B"

126

Sheet 14 of 25
26

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LOS ANGELES COUNTY
VENTURA COUNTY

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RANCHO SAN FRANCISCO

RANCHO SIMI

RANCHO SIMI

2

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202

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B.3 PG. 7 OF MAPS
VENTURA COUNTY RECORDER

NEW HALL LAND AND FARM DEED
REC. JUN 21, 1910
B.127 PG.104 OF DEEDS

LEGEND
1"=3000'
CITY BOUNDARIES
SECTION LINES
SCVWA BOUNDARY



EXHIBIT "B"

Sheet 15 of 25

RANCHO SAN FRANCISCO

RS 49-35

POINT OF BEGINNING

Larhinan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

Larhinan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

SPRR R/W

Index of Sheets 16-24 Blowup of Annexation Boundary

Henry Mayo Dr

Henry Mayo Dr

LABELS 266-272

- a- 1" pipe
- b- 1 1/2" iron pipe
- c- 1 1/2" iron pipe
- d- 1 1/2" iron pipe
- e- 1" iron pipe
- f- 1" iron pipe
- g- 2" iron pipe

LOS ANGELES COUNTY
VENTURA COUNTY

LSM 3-74
Office of Vent. Co. Rec.

Newhall Land and Farm Property

RANCHO SIMI

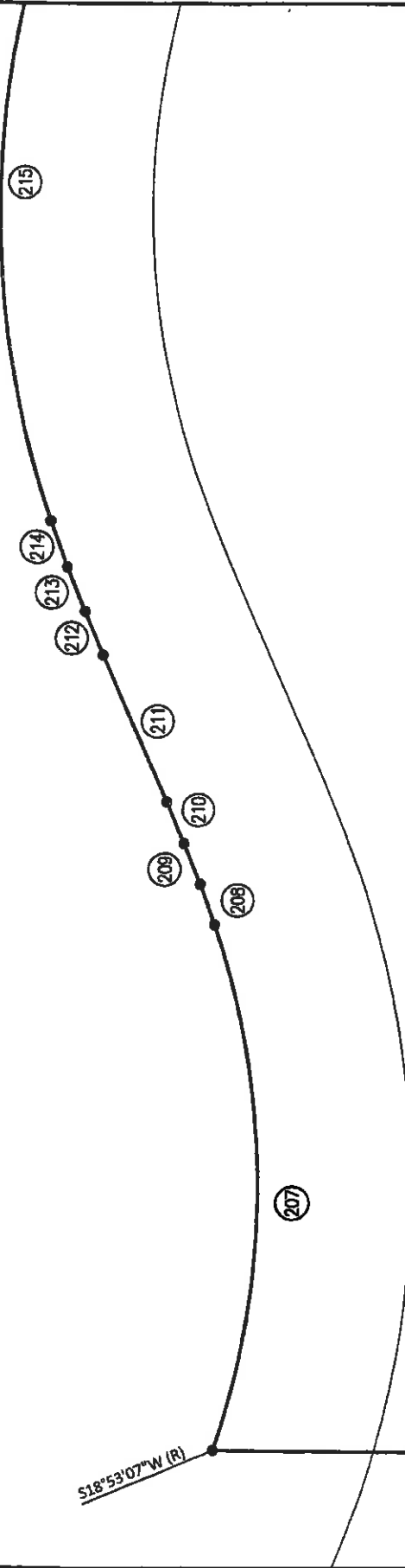


LEGEND
1"=3000'

CITY BOUNDARIES
SECTION LINES
SCVWA BOUNDARY

EXHIBIT "B"

Sheet 16 of 25



RS 49-35
(Vent. Co. Rec.)

Rancho San Francisco



LEGEND

1"=100'

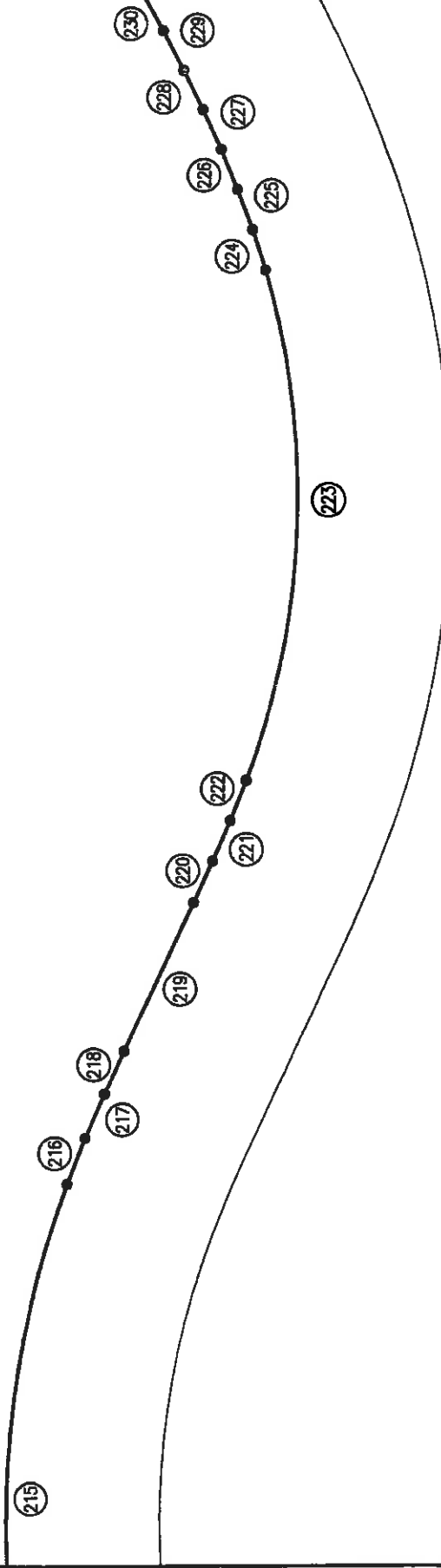
--- SECTION LINES

--- SCVWA BOUNDARY

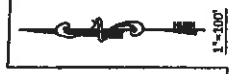
EXHIBIT "B"

Sheet 17 of 25

Rancho San Francisco



RS 49-35
(Vent. Co. Rec.)



LEGEND
--- SECTION LINES
--- SCWA BOUNDARY

EXHIBIT "B"

Sheet 18 of 25

234

Rancho San Francisco

233

Sept. 1885

RS 49-35
(Vent. Co. Rec.)

232

230

231

228

226

224

229

227

225



LEGEND
--- SECTION LINES
--- SCWMA BOUNDARY

EXHIBIT "B"

Sheet 19 of 25

Rancho San Francisco

RS 49-35

RS 49-35
(Vent. Co. Rec.)

Spr R/W

(240)

(239)

(238)

(237)

(236)

(235)

(234)

(241)

(233)



1"=100'
LEGEND
--- SECTION LINES
--- SCOWA BOUNDARY

EXHIBIT "B"

Sheet 20 of 25

JS Sharp Deed
Rec. Mar 26, 1921
B. 180 PG. 101 of Deeds

Rancho San Francisco

(243)

(242)

(241)



LEGEND
--- SECTION LINES
--- SCVWA BOUNDARY

EXHIBIT "B"

Sheet 21 of 25

Rancho San Francisco

N06°49'19"E (R)

(244)

(246)

(248)

(247)

(249)

(250)

(251)

(252)

(254)

(256)

(258)

(260)

(253)

(255)

(257)

(259)

(261)

Larinan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

SPRR R/W

JS Sharp Deed
Rec. Mar 26, 1921
B. 180 PG. 101 of Deeds

(243)



1"=500'

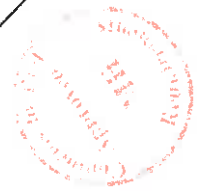
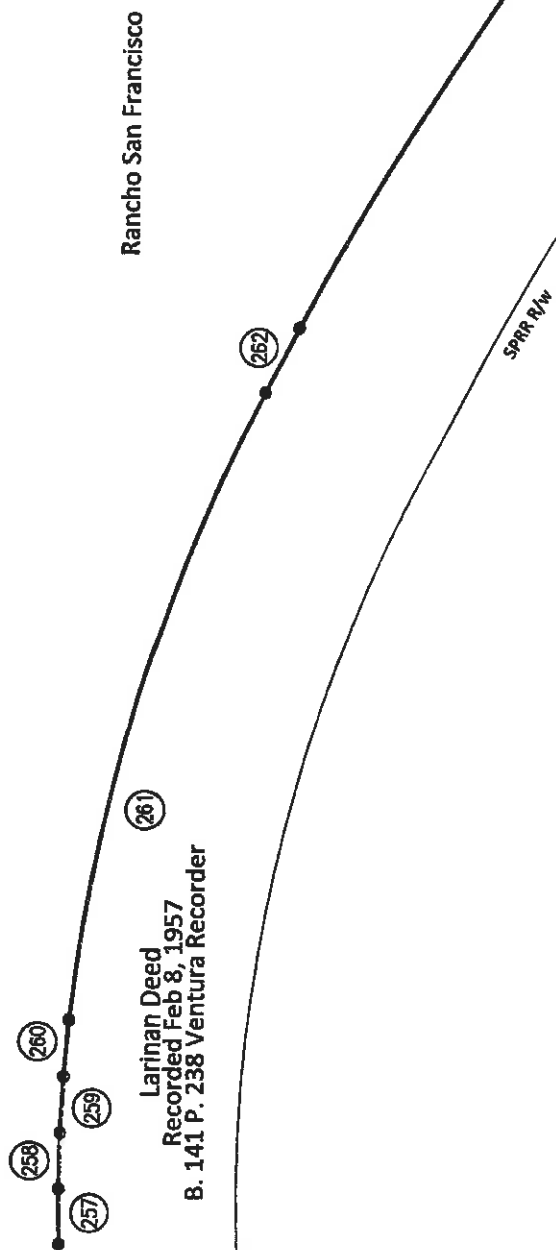
LEGEND

--- SECTION LINES

--- SCVWA BOUNDARY

EXHIBIT "B"

Sheet 22 of 25



1"=100'

LEGEND
--- SECTION LINES
--- SPRR R/W

EXHIBIT "B"

Sheet 23 of 25

Rancho San Francisco

Larinan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

(264)

(265)

(266)

SPRR R/W



LEGEND
--- SECTION LINES
--- SOWA BOUNDARY

EXHIBIT "B"

Sheet 24 of 25

Rancho San Francisco

Larinan Deed
Recorded Feb 8, 1957
B. 141 P. 238 Ventura Recorder

1 1/2" Iron Pipe

1" Iron Pipe

SPRR R/W



1"=100'

LEGEND	
---	SECTION LINES
---	SCVWA BOUNDARY

DATA TABLE	BEARING/Delta	RADIUS	LENGTH
1	N87° 51' 18" E	—	14702.08
2	N53° 04' 00" E	—	1490.00
3	S68° 18' 10" W	—	2883.00
4	N27° 23' 00" E	—	2470.30
5	N67° 57' 00" E	—	2507.28
6	N32° 27' 00" E	—	2639.80
7	N60° 27' 00" E	—	2604.21
8	N68° 01' 00" E	—	2637.10
9	N60° 31' 30" E	—	1325.21
10	N69° 13' 48" E	—	3502.24
11	N69° 10' 00" E	—	1357.74
12	N01° 04' 41" E	—	3946.67
13	S88° 38' 28" W	—	3622.37
14	S01° 48' 18" E	—	1278.37
15	S88° 03' 13" E	—	4.30
16	N62° 37' 28" E	—	1280.44
17	S88° 44' 43" E	—	1311.30
18	N02° 44' 34" E	—	1282.00
19	N01° 58' 35" E	—	5774.10
20	S89° 25' 19" E	—	3890.50
21	N00° 42' 08" E	—	2608.33
22	S88° 57' 28" E	—	1341.15
23	N00° 54' 42" E	—	2844.62
24	S89° 32' 59" E	—	2878.85
25	N00° 45' 26" E	—	1311.01
26	N68° 48' 28" E	—	2849.42
27	N44° 48' 14" E	—	1886.43
28	S86° 13' 57" E	—	4045.12
29	S86° 13' 57" E	—	8189.70
30	N00° 03' 20" E	—	2113.63
31	S89° 27' 07" E	—	6844.63
32	N00° 24' 53" E	—	2842.28
33	N62° 43' 12" E	—	5391.00
34	N00° 35' 18" E	—	2678.50
35	S01° 02' 55" E	—	646.28
36	S01° 02' 55" E	—	2884.63
37	N07° 03' 16" E	—	688.23
38	S00° 25' 14" W	—	1382.57
39	N67° 40' 32" E	—	654.57
40	S00° 03' 36" E	—	680.38
41	N67° 57' 07" E	—	646.78
42	N00° 32' 08" E	—	2051.22
43	S87° 05' 18" E	—	686.24
44	N01° 00' 38" E	—	1326.68
45	S87° 40' 23" E	—	677.91
46	N01° 28' 24" E	—	683.14
47	N00° 00' 00" E	—	646.71
48	S88° 33' 30" E	—	1332.73
49	N00° 17' 59" E	—	686.65
50	S89° 08' 03" E	—	688.70
51	N00° 35' 48" E	—	5186.73
52	N00° 12' 00" E	—	2840.00
53	N00° 00' 00" E	—	5280.00
54	N00° 00' 00" E	—	2840.00
55	S00° 00' 00" E	—	2840.00
56	S00° 00' 00" E	—	680.00
57	N00° 00' 00" E	—	1320.00
58	S00° 00' 00" E	—	680.00
59	S00° 00' 00" E	—	680.00
60	S00° 00' 00" E	—	680.00
61	S00° 00' 00" E	—	680.00
62	S00° 00' 00" E	—	683.73
63	S89° 03' 55" E	—	430.00
64	S89° 03' 55" E	—	2763.76
65	S00° 15' 25" E	—	2701.68
66	S89° 15' 25" E	—	1318.48
67	S00° 15' 25" E	—	1318.11
68	S00° 15' 25" E	—	1318.11
69	S00° 15' 25" E	—	1318.11
70	S89° 15' 25" E	—	1312.65

DATA TABLE	BEARING/Delta	RADIUS	LENGTH
71	S00° 29' 25" E	—	43.97
72	N68° 18' 00" E	—	2883.00
73	S88° 18' 00" W	—	2840.30
74	S00° 18' 00" E	—	2507.28
75	S00° 20' 30" E	—	2618.63
76	N60° 20' 00" E	—	5280.00
77	N00° 20' 11" E	—	5238.63
78	S89° 40' 25" E	—	10560.00
79	S00° 00' 00" E	—	5178.40
80	N60° 00' 00" E	—	2880.78
81	S00° 00' 00" E	—	7005.81
82	S00° 00' 00" E	—	2840.00
83	N60° 00' 00" E	—	2840.00
84	S00° 00' 00" E	—	2840.00
85	S00° 00' 00" E	—	2840.00
86	N60° 00' 00" E	—	5280.00
87	S00° 06' 34" E	—	2840.00
88	S01° 50' 59" E	—	2883.97
89	N60° 43' 18" E	—	2886.94
90	S01° 28' 05" E	—	2857.32
91	S00° 48' 57" E	—	2850.48
92	S88° 57' 28" E	—	1284.45
93	S00° 28' 51" E	—	2839.48
94	N68° 48' 09" E	—	1308.67
95	S88° 13' 58" E	—	2833.40
96	N68° 13' 01" E	—	5086.73
97	S88° 30' 08" E	—	5281.01
98	S88° 34' 48" E	—	2883.10
99	S88° 44' 43" E	—	2884.52
100	S88° 50' 25" E	—	2884.52
101	S88° 30' 28" E	—	2883.98
102	S88° 13' 08" E	—	2883.98
103	S88° 13' 08" E	—	2883.98
104	S88° 17' 31" E	—	2871.22
105	N00° 38' 41" E	—	2871.22
106	N00° 38' 41" E	—	2886.12
107	S88° 48' 48" E	—	2885.05
108	N00° 48' 50" E	—	2877.82
109	S88° 55' 22" E	—	2889.72
110	S88° 15' 31" E	—	2854.76
111	S88° 20' 05" E	—	5188.32
112	S00° 01' 05" E	—	5188.32
113	N67° 12' 32" E	—	2887.85
114	S88° 44' 00" E	—	3117.11
115	S88° 21' 50" E	—	2176.77
116	N68° 44' 50" E	—	5244.38
117	S88° 28' 22" E	—	2843.00
118	S88° 13' 45" E	—	1388.58
119	S00° 05' 38" E	—	5055.87
120	S88° 22' 40" E	—	1330.38
121	S88° 22' 40" E	—	2883.00
122	S88° 25' 01" E	—	187.98
123	N00° 00' 00" E	—	1340.18
124	S00° 00' 00" E	—	1341.87
125	S00° 00' 00" E	—	2886.70
126	S00° 00' 00" E	—	2884.32
127	S00° 14' 09" E	—	2887.85
128	S00° 14' 09" E	—	2832.84
129	S01° 12' 28" E	—	2830.10
130	S00° 12' 28" E	—	2804.04
131	S88° 57' 48" E	—	5531.62
132	S14° 07' 13" E	—	2723.64
133	N68° 13' 24" E	—	2811.39
134	S88° 03' 55" E	—	6389.28
135	S00° 49' 51" E	—	2839.81
136	S00° 49' 51" E	—	2715.14
137	S00° 54' 03" E	—	2887.48
138	S00° 54' 03" E	—	684.93
139	S01° 17' 28" E	—	1845.03
140	S00° 02' 03" E	—	2045.93

DATA TABLE	BEARING/Delta	RADIUS	LENGTH
141	S00° 58' 03" E	—	2950.86
142	N68° 11' 04" E	—	4080.43
143	N68° 18' 00" E	—	1393.03
144	S88° 33' 11" E	—	3243.12
145	S89° 23' 11" E	—	10485.06
146	S00° 18' 01" E	—	8536.61
147	S01° 18' 14" E	—	5177.40
148	N68° 22' 39" E	—	5308.81
149	S01° 16' 38" E	—	688.18
150	N63° 44' 22" E	—	532.43
151	S45° 01' 14" E	—	1248.31
152	N69° 40' 04" E	—	4546.89
153	N01° 28' 14" E	—	1376.03
154	N68° 10' 54" E	—	2859.87
155	N00° 01' 00" E	—	2708.57
156	S89° 20' 02" E	—	1289.57
157	N02° 21' 45" E	—	1181.23
158	N67° 48' 48" E	—	1283.20
159	S01° 01' 12" E	—	1285.10
160	N68° 30' 44" E	—	1280.58
161	S00° 17' 28" E	—	1219.41
162	N69° 05' 56" E	—	1319.31
163	N00° 24' 45" E	—	5150.91
164	N69° 28' 19" E	—	1320.00
165	N69° 28' 19" E	—	5381.87
166	N00° 00' 22" E	—	2884.04
167	N03° 17' 81" E	—	3035.43
168	N68° 13' 09" E	—	5228.82
169	S88° 23' 10" E	—	1303.30
170	N00° 07' 43" E	—	2849.43
171	S87° 37' 25" E	—	1331.14
172	N00° 31' 45" E	—	1271.10
173	N00° 31' 45" E	—	1271.10
174	N18° 44' 35" E	—	883.97
175	N00° 18' 31" E	—	2940.28
176	N00° 18' 31" E	—	1319.86
177	S88° 45' 01" E	—	1380.00
178	S88° 45' 01" E	—	1380.00
179	N00° 18' 31" E	—	1319.86
180	S88° 42' 04" E	—	1380.00
181	N00° 17' 42" E	—	2910.07
182	N64° 08' 31" E	—	8134.57
183	S38° 11' 23" E	—	684.64
184	S85° 56' 46" E	—	4973.48
185	S17° 38' 18" E	—	2441.03
186	S71° 55' 18" E	—	1373.07
187	S49° 21' 27" E	—	3383.44
188	S02° 10' 18" E	—	5380.82
189	S85° 23' 48" E	—	6818.30
190	S01° 12' 31" E	—	8937.28
191	S03° 08' 30" E	—	3580.84
192	S00° 16' 05" E	—	388.48
193	N69° 45' 02" E	—	3233.89
194	N64° 10' 43" E	—	2642.41
195	N61° 48' 47" E	—	2600.78
196	N69° 42' 12" E	—	2400.28
197	N64° 28' 00" E	—	518.08
198	S70° 28' 00" E	—	879.68
199	N69° 42' 12" E	—	2883.34
200	S00° 17' 48" E	—	1031.54
201	S00° 28' 00" E	—	1129.28
202	N00° 17' 48" E	—	1487.28
203	N69° 42' 12" E	—	1280.61
204	N62° 34' 00" E	—	179.85
205	N03° 08' 37" E	—	533.13
206	S45° 08' 41" E	—	546.43
207	S45° 08' 41" E	—	546.43
208	S45° 08' 41" E	—	546.43
209	S45° 08' 41" E	—	546.43
210	S45° 08' 41" E	—	546.43

DATA TABLE			
②	BEARING/Delta	RADIUS	LENGTH
211	N68° 13' 28" E	—	104.67
212	S00° 48' 00" E	234.88	30.66
213	S01° 30' 00" E	1168.01	31.31
214	S02° 15' 00" E	814.08	31.97
215	S03° 50' 30" E	623.13	433.27
216	S02° 15' 00" E	814.08	31.97
217	S01° 30' 00" E	1168.01	31.31
218	S00° 48' 00" E	234.88	30.66
219	S84° 56' 14" E	—	105.85
220	S00° 48' 00" E	2241.60	28.35
221	S01° 30' 00" E	1068.01	28.69
222	S02° 15' 00" E	714.08	28.04
223	S03° 50' 30" E	523.11	337.07
224	S02° 15' 00" E	868.78	27.85
225	S03° 50' 30" E	523.11	27.85
226	S02° 15' 00" E	868.78	28.17
227	S01° 48' 00" E	905.04	28.43
228	S01° 30' 00" E	1068.01	28.69
229	S01° 12' 00" E	1382.47	28.53
230	S00° 54' 00" E	1859.91	28.22
231	S00° 38' 00" E	2814.82	28.48
232	S00° 18' 00" E	5679.60	28.74
233	S00° 06' 38" E	—	682.08
234	S00° 06' 38" E	11406.11	28.87
235	S00° 18' 00" E	5679.60	28.74
236	S00° 38' 00" E	3788.75	28.61
237	S00° 58' 00" E	2014.63	28.48
238	S01° 45' 00" E	2014.63	28.38
239	S01° 54' 00" E	1859.91	28.22
240	S02° 03' 00" E	1597.07	28.22
241	S27° 33' 35" E	—	1088.98
242	N44° 38' 35" E	—	247.30
243	N62° 38' 35" E	—	1620.38
244	S03° 31' 38" E	3914.83	28.32
245	S04° 18' 00" E	5779.60	30.23
246	S02° 18' 00" E	—	41.33
247	S00° 48' 00" E	2241.60	28.35
248	S01° 30' 00" E	1068.01	28.68
249	S02° 31' 49" E	714.13	93.68
250	S01° 30' 00" E	1068.01	28.69
251	S00° 48' 00" E	2241.60	28.35
252	N63° 31' 08" E	—	260.01
253	S00° 18' 00" E	5679.60	30.26
254	S00° 54' 00" E	2014.63	30.78
255	S01° 54' 00" E	1859.91	31.03
256	S01° 12' 00" E	1482.47	31.31
257	S01° 30' 00" E	1168.01	31.57
258	S01° 48' 00" E	1065.04	31.84
259	S02° 06' 00" E	905.04	32.10
260	S02° 24' 00" E	767.80	37.43
261	S02° 19' 42" E	697.80	—
262	S02° 31' 10" E	—	41.15
263	S02° 31' 10" E	1703.78	682.88
264	S03° 51' 05" E	—	66.43
265	S04° 57' 43" E	2355.00	439.04
266	S48° 52' 00" E	—	73.04
267	N28° 02' 31" E	—	233.48
268	N03° 12' 31" E	—	688.98
269	N03° 48' 31" E	—	817.42
270	N07° 21' 28" E	—	78.48
271	N07° 44' 34" E	—	2667.31
272	N18° 31' 39" E	—	1354.83
273	N18° 31' 39" E	3007.61	64.62
274	S00° 48' 00" E	2241.60	28.35
275	N00° 48' 00" E	2241.60	28.35
276	N03° 48' 31" E	—	868.98
277	N07° 21' 28" E	—	78.48
278	N07° 44' 34" E	—	2667.31
279	N18° 31' 39" E	—	1354.83
280	N18° 31' 39" E	3007.61	64.62
281	S00° 18' 00" E	5679.60	30.23
282	S00° 54' 00" E	2014.63	30.78
283	S01° 54' 00" E	1859.91	31.03
284	S01° 12' 00" E	1482.47	31.31
285	S01° 30' 00" E	1168.01	31.57
286	S01° 48' 00" E	1065.04	31.84
287	S02° 06' 00" E	905.04	32.10
288	S02° 24' 00" E	767.80	37.43
289	S02° 19' 42" E	697.80	—
290	S02° 31' 10" E	—	41.15
291	S02° 31' 10" E	1703.78	682.88
292	S03° 51' 05" E	—	66.43
293	S04° 57' 43" E	2355.00	439.04
294	S48° 52' 00" E	—	73.04
295	N28° 02' 31" E	—	233.48
296	N03° 12' 31" E	—	688.98
297	N03° 48' 31" E	—	817.42
298	N07° 21' 28" E	—	78.48
299	N07° 44' 34" E	—	2667.31
300	N18° 31' 39" E	—	1354.83
301	N18° 31' 39" E	3007.61	64.62
302	S00° 48' 00" E	2241.60	28.35
303	N00° 48' 00" E	2241.60	28.35
304	N03° 48' 31" E	—	868.98
305	N07° 21' 28" E	—	78.48
306	N07° 44' 34" E	—	2667.31
307	N18° 31' 39" E	—	1354.83
308	N18° 31' 39" E	3007.61	64.62
309	S00° 18' 00" E	5679.60	30.23
310	S00° 54' 00" E	2014.63	30.78
311	S01° 54' 00" E	1859.91	31.03
312	S01° 12' 00" E	1482.47	31.31
313	S01° 30' 00" E	1168.01	31.57
314	S01° 48' 00" E	1065.04	31.84
315	S02° 06' 00" E	905.04	32.10
316	S02° 24' 00" E	767.80	37.43
317	S02° 19' 42" E	697.80	—
318	S02° 31' 10" E	—	41.15
319	S02° 31' 10" E	1703.78	682.88
320	S03° 51' 05" E	—	66.43
321	S04° 57' 43" E	2355.00	439.04
322	S48° 52' 00" E	—	73.04
323	N28° 02' 31" E	—	233.48
324	N03° 12' 31" E	—	688.98
325	N03° 48' 31" E	—	817.42
326	N07° 21' 28" E	—	78.48
327	N07° 44' 34" E	—	2667.31
328	N18° 31' 39" E	—	1354.83
329	N18° 31' 39" E	3007.61	64.62
330	S00° 48' 00" E	2241.60	28.35
331	N00° 48' 00" E	2241.60	28.35
332	N03° 48' 31" E	—	868.98
333	N07° 21' 28" E	—	78.48
334	N07° 44' 34" E	—	2667.31
335	N18° 31' 39" E	—	1354.83
336	N18° 31' 39" E	3007.61	64.62
337	S00° 18' 00" E	5679.60	30.23
338	S00° 54' 00" E	2014.63	30.78
339	S01° 54' 00" E	1859.91	31.03
340	S01° 12' 00" E	1482.47	31.31
341	S01° 30' 00" E	1168.01	31.57
342	S01° 48' 00" E	1065.04	31.84
343	S02° 06' 00" E	905.04	32.10
344	S02° 24' 00" E	767.80	37.43
345	S02° 19' 42" E	697.80	—
346	S02° 31' 10" E	—	41.15
347	S02° 31' 10" E	1703.78	682.88
348	S03° 51' 05" E	—	66.43
349	S04° 57' 43" E	2355.00	439.04
350	S48° 52' 00" E	—	73.04
351	N28° 02' 31" E	—	233.48
352	N03° 12' 31" E	—	688.98
353	N03° 48' 31" E	—	817.42
354	N07° 21' 28" E	—	78.48
355	N07° 44' 34" E	—	2667.31
356	N18° 31' 39" E	—	1354.83
357	N18° 31' 39" E	3007.61	64.62
358	S00° 48' 00" E	2241.60	28.35
359	N00° 48' 00" E	2241.60	28.35
360	N03° 48' 31" E	—	868.98
361	N07° 21' 28" E	—	78.48
362	N07° 44' 34" E	—	2667.31
363	N18° 31' 39" E	—	1354.83
364	N18° 31' 39" E	3007.61	64.62
365	S00° 18' 00" E	5679.60	30.23
366	S00° 54' 00" E	2014.63	30.78
367	S01° 54' 00" E	1859.91	31.03
368	S01° 12' 00" E	1482.47	31.31
369	S01° 30' 00" E	1168.01	31.57
370	S01° 48' 00" E	1065.04	31.84
371	S02° 06' 00" E	905.04	32.10
372	S02° 24' 00" E	767.80	37.43
373	S02° 19' 42" E	697.80	—
374	S02° 31' 10" E	—	41.15
375	S02° 31' 10" E	1703.78	682.88
376	S03° 51' 05" E	—	66.43
377	S04° 57' 43" E	2355.00	439.04
378	S48° 52' 00" E	—	73.04
379	N28° 02' 31" E	—	233.48
380	N03° 12' 31" E	—	688.98
381	N03° 48' 31" E	—	817.42
382	N07° 21' 28" E	—	78.48
383	N07° 44' 34" E	—	2667.31
384	N18° 31' 39" E	—	1354.83
385	N18° 31' 39" E	3007.61	64.62
386	S00° 48' 00" E	2241.60	28.35
387	N00° 48' 00" E	2241.60	28.35
388	N03° 48' 31" E	—	868.98
389	N07° 21' 28" E	—	78.48
390	N07° 44' 34" E	—	2667.31
391	N18° 31' 39" E	—	1354.83
392	N18° 31' 39" E	3007.61	64.62
393	S00° 18' 00" E	5679.60	30.23
394	S00° 54' 00" E	2014.63	30.78
395	S01° 54' 00" E	1859.91	31.03
396	S01° 12' 00" E	1482.47	31.31
397	S01° 30' 00" E	1168.01	31.57
398	S01° 48' 00" E	1065.04	31.84
399	S02° 06' 00" E	905.04	32.10
400	S02° 24' 00" E	767.80	37.43
401	S02° 19' 42" E	697.80	—
402	S02° 31' 10" E	—	41.15
403	S02° 31' 10" E	1703.78	682.88
404	S03° 51' 05" E	—	66.43
405	S04° 57' 43" E	2355.00	439.04
406	S48° 52' 00" E	—	73.04
407	N28° 02' 31" E	—	233.48
408	N03° 12' 31" E	—	688.98
409	N03° 48' 31" E	—	817.42
410	N07° 21' 28" E	—	78.48
411	N07° 44' 34" E	—	2667.31
412	N18° 31' 39" E	—	1354.83
413	N18° 31' 39" E	3007.61	64.62
414	S00° 48' 00" E	2241.60	28.35
415	N00° 48' 00" E	2241.60	28.35
416	N03° 48' 31" E	—	868.98
417	N07° 21' 28" E	—	78.48
418	N07° 44' 34" E	—	2667.31
419	N18° 31' 39" E	—	1354.83
420	N18° 31' 39" E	3007.61	64.62
421	S00° 18' 00" E	5679.60	30.23
422	S00° 54' 00" E	2014.63	30.78
423	S01° 54' 00" E	1859.91	31.03
424	S01° 12' 00" E	1482.47	31.31
425	S01° 30' 00" E	1168.01	31.57
426	S01° 48' 00" E	1065.04	31.84
427	S02° 06' 00" E	905.04	32.10
428	S02° 24' 00" E	767.80	37.43
429	S02° 19' 42" E	697.80	—
430	S02° 31' 10" E	—	41.15
431	S02° 31' 10" E	1703.78	682.88
432	S03° 51' 05" E	—	66.43
433	S04° 57' 43" E	2355.00	439.04
434	S48° 52' 00" E	—	73.04
435	N28° 02' 31" E	—	233.48
436	N03° 12' 31" E	—	688.98
437	N03° 48' 31" E	—	817.42
438	N07° 21' 28" E	—	78.48
439	N07° 44' 34" E	—	2667.31
440	N18° 31' 39" E	—	1354.83
441	N18° 31' 39" E	3007.61	64.62
442	S00° 48' 00" E	2241.60	28.35
443	N00° 48' 00" E	2241.60	28.35
444	N03° 48' 31" E	—	868.98
445	N07° 21' 28" E	—	78.48
446	N07° 44' 34" E	—	2667.31
447	N18° 31' 39" E	—	1354.83
448	N18° 31' 39" E	3007.61	64.62
449	S00° 18' 00" E	5679.60	30.23
450	S00° 54' 00" E	2014.63	30.78
451	S01° 54' 00" E	1859.91	31.03
452	S01° 12' 00" E	1482.47	31.31
453	S01° 30' 00" E	1168.01	31.57
454	S01° 48' 00" E	1065.04	31.84
455	S02° 06' 00" E	905.04	32.10
456	S02° 24' 00" E	767.80	37.43
457	S02° 19' 42" E	697.80	—
458	S02° 31' 10" E	—	41.15
459	S02° 31' 10" E	1703.78	682.88
460	S03° 51' 05" E	—	66.43
461	S04° 57' 43" E	2355.00	439.04
462	S48° 52' 00" E	—	73.04
463	N28° 02' 31" E	—	233.48
46			

Application for Conditions No. 2018-01 to the
Santa Clarita Valley Water Agency

Attachment "D"

Staff Report

April 11, 2018

Agenda Item No. 7.c.

Proposed Draft Budget for Fiscal Year 2018-19

Background

Government Code Section 56381 requires the Commission to adopt a proposed budget by May 1st and a final budget by June 15th of each year. The Commission is further required to hold a noticed public hearing for both the proposed and final budget, and to distribute copies of the proposed and final budget to the County of Los Angeles, the 88 cities in Los Angeles County, and the 53 independent special districts in Los Angeles County.

Proposed Draft Budget

The Adopted Final Budget for Fiscal Year (FY) 2017-2018 is \$1,472,400. The Proposed Draft Budget for Fiscal Year 2018-2019 maintains the budget level at \$1,472,400. Although there were increases in some of the expenditure categories and cost savings in others, there was no net change to the total appropriations.

The LAFCO apportionment will not be changed for the third consecutive fiscal year. The apportionment will be maintained at \$1,322,443, the same amount as in Fiscal Years 2016-17 and 2017-18.

Further explanation on budget categories of interest is included below. A few expense categories that were reclassified to more accurately reflect expenses incurred are also noted in the Expenditures section of this report.

Expenditures

Employee Salaries (50001): Fiscal Year 2018-19 is the first time in two years with a full staff of seven employees working the entire fiscal year.

Employer Paid Pension Contributions (50023) (Formerly classified as Retirement (50023)): As a LACERA participatory agency, LAFCO is subject to employer paid pension contribution rate increases. In late 2017, employer contribution rates were increased by nearly 2% in accordance with LACERA's June 30, 2016 valuation report. The rate increase caused the cost of employer paid pension contributions to increase.

Insurance (50019): Significant savings were achieved in health insurance costs resulting from the selection of a new DEO at a lower tier of health benefits.

Payroll Taxes (50020): Staff anticipates a slight rate decrease due to the implementation of the Tax Cut & Job Act of 2017 (Federal tax reform).

Expenditures (continued)

OPEB – Existing Retirees: The reduction in this budgetary category (from FY 2017-18) reflects personnel changes in the DEO position.

LACERA OPEB Administrative Costs (NEW): A budget line-item has been added to account for the estimated administrative fee quoted by LACERA for managing existing retiree health benefits.

Rent (50025): The proposed budget reflects a scheduled rent increase for LAFCO's ten-year lease executed in 2011 and an estimated increase in common area maintenance (CAM) fees of approximately 3%.

Computer Software (50029): (Formerly Computer Equipment Maintenance and Supplies (50029)) Software expenses previously debited to the Information Technology and Various Vendor expense categories will be moved to this Computer Software category, causing an increase. Traditionally, this category was used exclusively for Environmental Systems Research Institute (ESRI) software expenditures. ESRI is the Geographic Information Systems (GIS) software used to produce staff report/agency maps.

Property/Liability Insurance (50032): The reduction in this category reflects substantial savings achieved from switching insurance carriers and eliminating a third-party insurance broker.

Information Technology/Programming (50040): The reduction in this category reflects the transfer of computer software expenses to Computer Software (50029). Expenses to this category will be limited to routine maintenance of office computer equipment.

Legal Notices (50052): The cost for legal noticing was increased to reflect projected year-end expenditures for FY 2017-18.

Equipment Lease (50030): Monthly photocopying expenses were moved into a more appropriate expense category—Printing/Copy Charges (50056). This resulted in a decrease of approximately 22% from the current fiscal year's budgeted expenditures. This account will continue to be used for the lease of the photocopy and postage machines.

Printing/Copy Charges (50056): The expense category was reclassified to include photocopying charges moved from the Equipment Lease expenditure category. In addition to photocopies, the account includes costs for LAFCO stationery, envelopes, and business cards.

Expenditures (continued)

Conferences/Travel—Commissioners (50057) & Conferences/Travel—Staff (50058): These accounts were decreased to more accurately reflect current fiscal year expenditures.

Legal services (50076): Due to changes in the LAFCO County Counsel designation, staff expects an increase in legal fees over the current year's budget. The proposed budget amount is comparable to projected year-end expenses for FY 2017-18.

Audit/Financial Statements (NEW): A new expense category was created to separate auditing services from accounting and bookkeeping charges, which were traditionally posted to the Accounting & Bookkeeping (50077) account. The budgeted amount corresponds to an existing four-year contract for outside auditing services. FY 2018-19 is the second year of the contract.

Payroll Services (NEW): A new account was also created for payroll services. Payroll services will no longer be included in Accounting & Bookkeeping (50077).

Accounting & Bookkeeping (50077): The accounting and bookkeeping charges are expected to increase due to the implementation of new Governmental Accounting Standards Board (GASB) 75 requirements.

Municipal Service Reviews (MSRs) (50081): The budgeted amount reflects staff's desire to retain a consultant (or consultants) to prepare at least one MSR.

OPEB Liability

OPEB Liability – Reserves (20020): For the third consecutive fiscal year, staff continues to dedicate funding to OPEB liability in an amount which covers this year's anticipated obligations and funds part of the previously accrued liability.

Revenues

Filing Fees (40005): Since filing fees are dependent on the actions of third parties, anticipating filing fee revenue is the most difficult projection in the annual budget. The figure included in the FY 2018-19 Proposed Draft Budget is similar to the projected year-end budget for FY 2017-18.

Processing Fees (40006): This account will be removed from the FY 2018-19 budget, as it is a duplication of filing fees.

Local Agency Apportionment

Total local agency apportionments will not increase from last year (Fiscal Year 2017-18) to this year (Fiscal Year 2018-19). The total amount billable to funding agencies is \$1,322,443.

Staff Recommendation:

1. Open the budget hearing, receive public comments, and close the budget hearing;
2. Approve the attached Proposed Draft Budget for Fiscal Year 2018-2019;
3. Pursuant to Government Code Section 56381, direct staff to forward the Proposed Budget for Fiscal Year 2018-2019 to the County of Los Angeles, as well as the 88 cities and 53 independent special districts in Los Angeles County, for their comment; and
4. Set May 9, 2018, for hearing on adoption of the Recommended Final Budget for Fiscal Year 2018-2019.

Enclosure: Proposed Draft Budget for Fiscal Year 2018-2019 Spreadsheet

PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2018-19

ACCT. #	ACCOUNT NAME	ADOPTED	PROJECTED	PROPOSED	\$ Variance	% Variance
		BUDGET	YEAR END (PYE)	2018-19	From FY 17-18	From FY 17-18
		2017-18	2017-18	BUDGET	Adopted	Adopted
	EXPENSES					
50000	Salaries and Employee Benefits					
50001	Employee Salaries	\$ 604,300	\$ 596,965	\$ 639,600	35,300	5.84%
50023	Employer Paid Pension Contribution	107,100	106,400	116,200	9,100	8.50%
50016	Accrued vacation and sick cashout	10,000	5,100	10,000	0	0.00%
50017	Commissioner Stipends	20,000	15,150	20,000	0	0.00%
50018	Worker's Compensation Insurance	11,200	11,200	11,800	600	5.36%
50019	Insurance (Health, Disability, Life)	176,800	99,399	126,000	-50,800	-28.73%
50020	Payroll Taxes	10,700	9,618	9,300	-1,400	-13.08%
50022	OPEB - Existing Retirees	36,000	23,400	23,364	-12,636	-35.10%
New	LACERA OPEB Administratrtion Costs	-	20,000	20,000	20,000	0.00%
	Total Salaries & Employee Benefits	\$ 976,100	\$ 887,232	\$ 976,264	164	0.02%
50000A	Office Expense					
50025	Rent	\$ 92,200	\$ 96,800	\$ 101,600	9,400	10.20%
50026	Communications	10,700	9,000	11,500	800	7.48%
50027	Supplies	7,400	7,400	7,400	0	0.00%
50029	Computer Software	3,600	3,562	5,935	2,335	64.86%
50030	Equipment lease	7,900	7,700	6,100	-1,800	-22.78%
50031	Employee & Guest Parking Fees	8,600	8,600	8,781	181	2.10%
50032	Property/Liability Insurance	48,900	25,000	27,000	-21,900	-44.79%
50033	Agency Membership Dues	11,400	10,095	11,400	0	0.00%
50040	Information Technology/Programming	8,300	8,700	6,600	-1,700	-20.48%
50052	Legal Notices	2,000	3,610	4,000	2,000	100.00%
50054	Postage	4,000	3,065	4,000	0	0.00%
50056	Printing/Copy Charges	1,500	1,282	4,000	2,500	166.67%
50057	Conferences/Travel - Commissioners	15,000	10,275	13,000	-2,000	-13.33%
50058	Conference/Travel - Staff	15,000	11,012	13,000	-2,000	-13.33%
50060	Auto Reimbursement	6,700	6,700	6,720	20	0.30%
50061	Various Vendors	6,400	6,300	7,200	800	12.50%
50065	Miscellaneous - Other	5,200	4,200	4,000	-1,200	-23.08%
50067	Computer-Copier-Misc Equipment	500	2,100	500	0	0.00%
	Total Office Expenses	\$ 255,300	\$ 226,182	\$ 242,736	-\$12,564	-4.92%

PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2018-19						
ACCT. #	ACCOUNT NAME	ADOPTED BUDGET 2017-18	PROJECTED YEAR END (PYE) 2017-18	PROPOSED 2018-19 BUDGET	\$ Variance From FY 17-18 Adopted	% Variance From FY 17-18 Adopted
50000C	Professional Services					
50076	Legal services	\$ 44,000	\$ 60,678	\$ 65,000	21,000	47.73%
50077	Accounting & Bookkeeping	23,700	35,300	25,000	1,300	5.49%
New	Audit/Financial Statements	7,300	7,300	7,400	100	0.00%
New	Payroll Service	3,000	3,000	3,000	0	0.00%
50078	Contract Services	3,000	15,000	3,000	0	0.00%
50081	Municipal Service Reviews	60,000	-	50,000	-10,000	-16.67%
	Total Professional Services	\$ 141,000	\$ 121,278	\$ 153,400	\$ 12,400	8.79%
	TOTAL EXPENDITURES	\$ 1,372,400	\$ 1,234,692	\$ 1,372,400	\$0	0.00%
20020	OPEB Liability - Reserves	100,000	100,000	100,000	-	0.00%
	Total Contingencies and Reserves Set Aside	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0%
	Total Appropriations	\$ 1,472,400	\$ 1,334,692	\$ 1,472,400	\$0	0.00%
40000	REVENUES					
40005	Filing Fees	\$ 75,000	\$ 83,000	\$ 85,500	10,500	14.00%
40006	Processing Fees	100	-	-	-100	-100.00%
40007	Interest Income	12,000	12,000	12,000	0	0.00%
40008	Other Income	600	146	350	-250	-41.67%
	Total Revenues	\$ 87,700	\$ 95,146	\$ 97,850	\$10,150	8.49%
	NET OPERATING COSTS	\$ 1,384,700	\$ 1,239,546	\$ 1,374,550	-\$10,150	-10.48%
	Local Agency Apportionment					
40001	City of Los Angeles	\$ 203,456	\$ 203,456	\$ 203,456	-	0.00%
40002	County of Los Angeles	508,633	508,633	508,633	-	0.00%
40003	Other Cities (87)	305,177	305,177	305,177	-	0.00%
40004	Special Districts	305,177	305,177	305,177	-	0.00%
	Total Local Agency Apportionment	\$ 1,322,443	\$ 1,322,443	\$ 1,322,443	\$ -	0.00%

Staff Report

April 11, 2018

Agenda Item No. 10.a.

Legislative Update

Staff continues its effort to track and report on bills in the current legislative session in Sacramento that may be of interest to the Commission (new information is in **bold** type, below). As of the drafting of this report, these bills include:

- **AB 3254 Omnibus Bill (Assembly Local Government Committee):** CALAFCO submitted seven (7) proposals for the annual Omnibus Bill—which makes technical corrections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”)—to staff of the Assembly Local Government Committee (“ALGC”) on January 23, 2018. Five of CALAFCO’s proposed items made it into the bill, and CALAFCO staff is working with ALGC staff to resolve issues concerning the other two items, with the intent of amending them into AB 3254 at a later date. **AB 3254 was introduced on February 14, 2018, and it was assigned to the Assembly Local Government Committee.**

Commission Position: Staff recommends the Commission take a SUPPORT Position on AB 3254.

- **AB 2491 (Cooley):** Sponsored by the League of California Cities, this bill would restore certain funding for future city incorporations. Prior to 2011, when a new city was incorporated, the city received additional Vehicle License Fee (“VLF”) revenue for the first five (5) years after incorporation. In 2011, adopted law (SB 89) eliminated the “VLF bump” for newly-incorporated cities. AB 2491 would restore the funding. The bill was introduced on February 14, 2018. **The Assembly Local Government Committee will consider AB 2491 on April 11, 2018.**

Commission Position: Staff recommends the Commission take a SUPPORT Position on AB 2491.

- **AB 2268 (Reyes):** Sponsored by the League of California Cities (“League”), this bill would restore certain funding for cities which annex inhabited territory (areas in which there are 12 or more registered voters). Prior to 2011, when a city annexed county unincorporated territory, certain VLF revenue was transferred from the county to the city. In 2011, adopted law (SB 89) eliminated this transfer of funds. AB 2268 would restore the funding. **The bill was introduced on February 13, 2018, and the Assembly Local Government Committee will consider AB 2268 on April 11, 2018.**

Commission Position: Staff recommends the Commission take a SUPPORT Position on AB 2268.

- **AB 2258 (Caballero):** As noted in the introduction to AB 2258, “this bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.” CALAFCO is sponsoring AB 2258, which originated in an August 2017 report issued by the Little Hoover Commission concerning special districts and the role and responsibilities of LAFCO.

Commission Position: Staff recommends the Commission take a SUPPORT Position on AB 2258.

- **AB 2050 (Caballero):** This bill is sponsored by Eastern Municipal Water District and the California Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water system. The focus is on non-contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems; AB 2050 would will add the authority to mandate dissolution and formation of new public agencies. This would further undermine LAFCO authority relative to the formation, consolidation, and dissolution of certain special districts. CALAFCO has taken a “watch” position and is working with the author and sponsors. **The bill was introduced on February 6, 2018; the Assembly Environmental Safety and Toxic Materials Committee will consider AB 2050 on April 10, 2011.**
- **SB 1215 (Hertzberg):** This bill would give the State Water Resources Control Board (“SWRCB”) additional authority to mandate consolidation of or extension of services by wastewater systems. The proposal is similar to SB 88—prior legislation, now law, which empowers the SWRCB to consolidate water systems—which CALAFCO and LA LAFCO opposed because it undermined LAFCO’s authority relative to special district consolidations. **The bill was introduced on February 15, 2018, and it was jointly referred to the Assembly Committees on Environmental Quality and Government and Finance.**
- **AB 2179 and AB 2339 (Gipson):** These two bills impose certain requirements upon a city prior to that city’s sale or transfer of a municipal utility which provides water or sewer service. The bills were introduced in early February, and they are awaiting assignment to relevant policy committees. **AB 2179 is pending before the Assembly Local Government Committee. The Assembly Local Government Committee will consider AB 2339 on April 11, 2018.**

- **SB 561 (Gaines):** This bill proposes to enable individuals who own property within the boundaries of the Fallen Leaf Community Services District (“District”) to serve on the District’s board of directors (only registered voters who are residents of the District are currently eligible to serve on the board). Staff of El Dorado LAFCO (the county in which the District is located) will recommend that LAFCOs statewide be given the authority to make these governance decisions rather than by “one-off” bills pertaining to specific CSDs. Broadening SB 561 to address this larger issue would potentially benefit LA LAFCO relative to smaller CSDs in Los Angeles County which have struggled to identify five individuals to serve as board-members. The bill was approved by the Senate on January 20, 2018, and it is now pending in the Assembly.
- **Proposed Legislation Sponsored by the California Special Districts Association (“CSDA”) Concerning Definitions:** CSDA has formed working group to discuss proposed revisions to amend the definitions of “dependent special district” and “independent special district” in the Act. At CSDA’s invitation, CALAFCO appointed two representatives to serve on this working group. CSDA’s working group is expected to meet shortly, and, staff will report back once the Committee makes a recommendation (the impact on LAFCO is uncertain until proposed language is drafted).

Staff Recommendation:

1. Take “support” positions on AB 3254 (Assembly Local Government Committee), AB 2491 (Cooley), AB 2268 (Reyes), and AB 2258 (Caballero), and direct staff to communicate the positions in letters to members of the State Legislature and the Governor; and
2. Receive and file the Legislative Report.

Attachments:

- AB 3254 (Assembly Local Government Committee)
- AB 2491 (Cooley)
- AB 2268 (Reyes)
- AB 2258 (Caballero)
- AB 2258 Fact Sheet

ASSEMBLY BILL

No. 3254

**Introduced by Committee on Local Government (Assembly
Members Aguiar-Curry (Chair), Waldron (Vice Chair), Bloom,
Caballero, Cooley, Grayson, Lackey, and Voepel)**

March 14, 2018

An act to amend Sections 56015, 56046, 56157, 56375, and 56668 of, and to add Section 56079.5 to, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3254, as introduced, Committee on Local Government. Local government organization: omnibus.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law defines various terms for purposes of that Act, including the terms “affected territory” and “inhabited territory.”

This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act.

The Act requires mailed notice to be given to landowners and to all registered voters within territory affected by a proposed change of organization, reorganization, or sphere of influence change, including notice to all landowners or registered voters within 300 feet of the exterior boundary of the property that is subject of a hearing, as specified.

This bill would specify that the requirement to mail notice to all landowners or registered voters within 300 feet of the exterior boundary of the property that is subject of a hearing applies only in the case of commission proceedings.

The Act sets forth the powers and duties of a local agency formation commission. If the proposal includes the incorporation of a city or the formation of a district, the commission is required to determine the property tax revenue to be exchanged by the affected local agencies, as specified.

This bill would specify the provisions under which the commission to determine the property tax revenue to be exchanged by affected local agencies if the proposal includes the disincorporation of a city.

The Act sets forth the factors to be considered by the commission in the review of a proposal, including, among others, per capita assessed valuation.

This bill would instead require the commission to consider assessed valuation generally.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 56015 of the Government Code is
2 amended to read:

3 56015. "Affected territory" means any territory for which a
4 change of ~~organization or organization~~, reorganization, or sphere
5 of influence ~~change~~, change is proposed or ~~ordered~~. *ordered, or*
6 *any territory to which services are proposed to be provided*
7 *pursuant to Sections 56133, 56133.5, or 56134.*

8 SEC. 2. Section 56046 of the Government Code is amended
9 to read:

10 56046. "Inhabited territory" means territory within which there
11 reside 12 or more registered voters. The number of registered
12 voters, as determined by the elections officer, shall be established
13 as of the date a certificate of filing is issued by the executive
14 officer. ~~All other territory shall be deemed "uninhabited."~~

15 SEC. 3. Section 56079.5 is added to the Government Code, to
16 read:

17 56079.5. "Uninhabited territory" means territory within which
18 there reside fewer than 12 registered voters. The number of

1 registered voters, as determined by the elections officer, shall be
2 established as of the date a certificate of filing is issued by the
3 executive officer.

4 SEC. 4. Section 56157 of the Government Code is amended
5 to read:

6 56157. When mailed notice is required to be given to:

7 (a) A county, city, or district, it shall be addressed to the clerk
8 of the county, city, or district.

9 (b) A commission, it shall be addressed to the executive officer.

10 (c) Proponents, it shall be addressed to the persons so designated
11 in the petition at the address specified in the petition.

12 (d) ~~Landowners~~, *Landowners within the affected territory*, it
13 shall be addressed to each person to whom land is assessed, as
14 shown upon the most recent assessment roll being prepared by the
15 county at the time the proponent adopts a resolution of application
16 pursuant to Section 56654 or files a notice of intention to circulate
17 a petition with the executive officer pursuant to subdivision (a) of
18 Section 56700.4, at the address shown upon the assessment roll
19 ~~and and, in the case of commission proceedings as defined in~~
20 *Section 56028*, to all landowners within 300 feet of the exterior
21 boundary of the property that is the subject of the ~~hearing~~ *hearing*,
22 at least 21 days prior to the hearing. This requirement may be
23 waived if proof satisfactory to the commission is presented that
24 shows that individual notices to landowners have already been
25 provided by the initiating agency. Notice also shall be either posted
26 or published in accordance with Section 56153 in a newspaper of
27 general circulation that is circulated within the affected territory
28 21 days prior to the hearing.

29 (e) Persons requesting special notice, it shall be addressed to
30 each person who has filed a written request for special notice with
31 the executive officer or clerk at the mailing address specified in
32 the request.

33 (f) ~~To all registered~~ *Registered* voters within the affected
34 territory, to the address as shown on the most recent index of
35 affidavits prepared by the county elections official at the time the
36 proponent adopts a resolution of application pursuant to Section
37 56654 or files a notice of intention to circulate a petition with the
38 executive officer pursuant to subdivision (a) of Section 56700.4
39 ~~and and, in the case of commission proceedings as defined in~~
40 *section 56028*, to all registered voters within 300 feet of the exterior

1 boundary of the property that is the subject of the ~~hearing~~ *hearing*,
2 at least 21 days prior to the hearing. This requirement may be
3 waived if proof satisfactory to the commission is presented that
4 shows that individual notices to registered voters have already
5 been provided by the initiating agency. Notice shall also either be
6 posted or published in accordance with Section 56153 in a
7 newspaper of general circulation that is circulated within the
8 affected territory 21 days prior to the hearing.

9 (g) Pursuant to subdivisions (d) and (f), if a landowner or
10 landowners and registered voter or voters are the same individual
11 or individuals, only one notice is required to be mailed.

12 (h) If the total number of notices required to be mailed in
13 accordance with subdivisions (d) and (f) exceeds 1,000, then notice
14 may instead be provided by publishing a display advertisement of
15 at least one-eighth page in a newspaper, as specified in Section
16 56153, at least 21 days prior to the hearing.

17 SEC. 5. Section 56375 of the Government Code is amended
18 to read:

19 56375. The commission shall have all of the following powers
20 and duties subject to any limitations upon its jurisdiction set forth
21 in this part:

22 (a) (1) To review and approve with or without amendment,
23 wholly, partially, or conditionally, or disapprove proposals for
24 changes of organization or reorganization, consistent with written
25 policies, procedures, and guidelines adopted by the commission.

26 (2) The commission may initiate proposals by resolution of
27 application for any of the following:

28 (A) The consolidation of a district, as defined in Section 56036.

29 (B) The dissolution of a district.

30 (C) A merger.

31 (D) The establishment of a subsidiary district.

32 (E) The formation of a new district or districts.

33 (F) A reorganization that includes any of the changes specified
34 in subparagraph (A), (B), (C), (D), or (E).

35 (G) The dissolution of an inactive district pursuant to Section
36 56879.

37 (3) A commission may initiate a proposal described in paragraph
38 (2) only if that change of organization or reorganization is
39 consistent with a recommendation or conclusion of a study
40 prepared pursuant to Section 56378, 56425, or 56430, and the

1 commission makes the determinations specified in subdivision (b)
2 of Section 56881.

3 (4) A commission shall not disapprove an annexation to a city,
4 initiated by resolution, of contiguous territory that the commission
5 finds is any of the following:

6 (A) Surrounded or substantially surrounded by the city to which
7 the annexation is proposed or by that city and a county boundary
8 or the Pacific Ocean if the territory to be annexed is substantially
9 developed or developing, is not prime agricultural land as defined
10 in Section 56064, is designated for urban growth by the general
11 plan of the annexing city, and is not within the sphere of influence
12 of another city.

13 (B) Located within an urban service area that has been delineated
14 and adopted by a commission, which is not prime agricultural land,
15 as defined by Section 56064, and is designated for urban growth
16 by the general plan of the annexing city.

17 (C) An annexation or reorganization of unincorporated islands
18 meeting the requirements of Section 56375.3.

19 (5) As a condition to the annexation of an area that is
20 surrounded, or substantially surrounded, by the city to which the
21 annexation is proposed, the commission may require, where
22 consistent with the purposes of this division, that the annexation
23 include the entire island of surrounded, or substantially surrounded,
24 territory.

25 (6) A commission shall not impose any conditions that would
26 directly regulate land use density or intensity, property
27 development, or subdivision requirements.

28 (7) The decision of the commission with regard to a proposal
29 to annex territory to a city shall be based upon the general plan
30 and prezoning of the city. When the development purposes are not
31 made known to the annexing city, the annexation shall be reviewed
32 on the basis of the adopted plans and policies of the annexing city
33 or county. A commission shall require, as a condition to
34 annexation, that a city prezone the territory to be annexed or present
35 evidence satisfactory to the commission that the existing
36 development entitlements on the territory are vested or are already
37 at build-out, and are consistent with the city's general plan.
38 However, the commission shall not specify how, or in what
39 manner, the territory shall be prezoned.

1 (8) (A) Except for those changes of organization or
2 reorganization authorized under Section 56375.3, and except as
3 provided by subparagraph (B), a commission shall not approve an
4 annexation to a city of any territory greater than 10 acres, or as
5 determined by commission policy, where there exists a
6 disadvantaged unincorporated community that is contiguous to
7 the area of proposed annexation, unless an application to annex
8 the disadvantaged unincorporated community to the subject city
9 has been filed with the executive officer.

10 (B) An application to annex a contiguous disadvantaged
11 community shall not be required if either of the following apply:

12 (i) A prior application for annexation of the same disadvantaged
13 community has been made in the preceding five years.

14 (ii) The commission finds, based upon written evidence, that a
15 majority of the registered voters within the affected territory are
16 opposed to annexation.

17 (b) With regard to a proposal for annexation or detachment of
18 territory to, or from, a city or district or with regard to a proposal
19 for reorganization that includes annexation or detachment, to
20 determine whether territory proposed for annexation or detachment,
21 as described in its resolution approving the annexation, detachment,
22 or reorganization, is inhabited or uninhabited.

23 (c) With regard to a proposal for consolidation of two or more
24 cities or districts, to determine which city or district shall be the
25 consolidated successor city or district.

26 (d) To approve the annexation of unincorporated, noncontiguous
27 territory, subject to the limitations of Section 56742, located in the
28 same county as that in which the city is located, and that is owned
29 by a city and used for municipal purposes and to authorize the
30 annexation of the territory without notice and hearing.

31 (e) To approve the annexation of unincorporated territory
32 consistent with the planned and probable use of the property based
33 upon the review of general plan and prezoning designations. No
34 subsequent change may be made to the general plan for the annexed
35 territory or zoning that is not in conformance to the prezoning
36 designations for a period of two years after the completion of the
37 annexation, unless the legislative body for the city makes a finding
38 at a public hearing that a substantial change has occurred in
39 circumstances that necessitate a departure from the prezoning in
40 the application to the commission.

1 (f) With respect to the incorporation of a new city or the
2 formation of a new special district, to determine the number of
3 registered voters residing within the proposed city or special district
4 or, for a landowner-voter special district, the number of owners
5 of land and the assessed value of their land within the territory
6 proposed to be included in the new special district. The number
7 of registered voters shall be calculated as of the time of the last
8 report of voter registration by the county elections official to the
9 Secretary of State prior to the date the first signature was affixed
10 to the petition. The executive officer shall notify the petitioners of
11 the number of registered voters resulting from this calculation.
12 The assessed value of the land within the territory proposed to be
13 included in a new landowner-voter special district shall be
14 calculated as shown on the last equalized assessment roll.

15 (g) To adopt written procedures for the evaluation of proposals,
16 including written definitions consistent with existing state law.
17 The commission may adopt standards for any of the factors
18 enumerated in Section 56668. Any standards adopted by the
19 commission shall be written.

20 (h) To adopt standards and procedures for the evaluation of
21 service plans submitted pursuant to Section 56653 and the initiation
22 of a change of organization or reorganization pursuant to
23 subdivision (a).

24 (i) To make and enforce regulations for the orderly and fair
25 conduct of hearings by the commission.

26 (j) To incur usual and necessary expenses for the
27 accomplishment of its functions.

28 (k) To appoint and assign staff personnel and to employ or
29 contract for professional or consulting services to carry out and
30 effect the functions of the commission.

31 (l) To review the boundaries of the territory involved in any
32 proposal with respect to the definiteness and certainty of those
33 boundaries, the nonconformance of proposed boundaries with lines
34 of assessment or ownership, and other similar matters affecting
35 the proposed boundaries.

36 (m) To waive the restrictions of Section 56744 if it finds that
37 the application of the restrictions would be detrimental to the
38 orderly development of the community and that the area that would
39 be enclosed by the annexation or incorporation is so located that

1 it cannot reasonably be annexed to another city or incorporated as
2 a new city.

3 (n) To waive the application of Section 22613 of the Streets and
4 Highways Code if it finds the application would deprive an area
5 of a service needed to ensure the health, safety, or welfare of the
6 residents of the area and if it finds that the waiver would not affect
7 the ability of a city to provide any service. However, within 60
8 days of the inclusion of the territory within the city, the legislative
9 body may adopt a resolution nullifying the waiver.

10 (o) If the proposal includes the incorporation of a city, as defined
11 in Section 56043, or the formation of a district, as defined in
12 Section 2215 of the Revenue and Taxation Code, the commission
13 shall determine the property tax revenue to be exchanged by the
14 affected local agencies pursuant to Section 56810. *If the proposal*
15 *includes the disincorporation of a city, as defined in Section 56034,*
16 *the commission shall determine the property tax revenue to be*
17 *exchanged by the affected local agencies pursuant to Section*
18 *56813.*

19 (p) To authorize a city or district to provide new or extended
20 services outside its jurisdictional boundaries pursuant to Section
21 56133.

22 (q) To enter into an agreement with the commission for an
23 adjoining county for the purpose of determining procedures for
24 the consideration of proposals that may affect the adjoining county
25 or where the jurisdiction of an affected agency crosses the boundary
26 of the adjoining county.

27 (r) To approve with or without amendment, wholly, partially,
28 or conditionally, or disapprove pursuant to this section the
29 annexation of territory served by a mutual water company formed
30 pursuant to Part 7 (commencing with Section 14300) of Division
31 3 of Title 1 of the Corporations Code that operates a public water
32 system to a city or special district. Any annexation approved in
33 accordance with this subdivision shall be subject to the state and
34 federal constitutional prohibitions against the taking of private
35 property without the payment of just compensation. This
36 subdivision shall not impair the authority of a public agency or
37 public utility to exercise eminent domain authority.

38 SEC. 6. Section 56668 of the Government Code is amended
39 to read:

1 56668. Factors to be considered in the review of a proposal
2 shall include, but not be limited to, all of the following:

3 (a) Population and population density; land area and land use;
4 per-capita assessed valuation; topography, natural boundaries, and
5 drainage basins; proximity to other populated areas; the likelihood
6 of significant growth in the area, and in adjacent incorporated and
7 unincorporated areas, during the next 10 years.

8 (b) The need for organized community services; the present
9 cost and adequacy of governmental services and controls in the
10 area; probable future needs for those services and controls; probable
11 effect of the proposed incorporation, formation, annexation, or
12 exclusion and of alternative courses of action on the cost and
13 adequacy of services and controls in the area and adjacent areas.

14 "Services," as used in this subdivision, refers to governmental
15 services whether or not the services are services which would be
16 provided by local agencies subject to this division, and includes
17 the public facilities necessary to provide those services.

18 (c) The effect of the proposed action and of alternative actions,
19 on adjacent areas, on mutual social and economic interests, and
20 on the local governmental structure of the county.

21 (d) The conformity of both the proposal and its anticipated
22 effects with both the adopted commission policies on providing
23 planned, orderly, efficient patterns of urban development, and the
24 policies and priorities in Section 56377.

25 (e) The effect of the proposal on maintaining the physical and
26 economic integrity of agricultural lands, as defined by Section
27 56016.

28 (f) The definiteness and certainty of the boundaries of the
29 territory, the nonconformance of proposed boundaries with lines
30 of assessment or ownership, the creation of islands or corridors of
31 unincorporated territory, and other similar matters affecting the
32 proposed boundaries.

33 (g) A regional transportation plan adopted pursuant to Section
34 65080.

35 (h) The proposal's consistency with city or county general and
36 specific plans.

37 (i) The sphere of influence of any local agency which may be
38 applicable to the proposal being reviewed.

39 (j) The comments of any affected local agency or other public
40 agency.

1 (k) The ability of the newly formed or receiving entity to provide
2 the services which are the subject of the application to the area,
3 including the sufficiency of revenues for those services following
4 the proposed boundary change.

5 (l) Timely availability of water supplies adequate for projected
6 needs as specified in Section 65352.5.

7 (m) The extent to which the proposal will affect a city or cities
8 and the county in achieving their respective fair shares of the
9 regional housing needs as determined by the appropriate council
10 of governments consistent with Article 10.6 (commencing with
11 Section 65580) of Chapter 3 of Division 1 of Title 7.

12 (n) Any information or comments from the landowner or owners,
13 voters, or residents of the affected territory.

14 (o) Any information relating to existing land use designations.

15 (p) The extent to which the proposal will promote environmental
16 justice. As used in this subdivision, "environmental justice" means
17 the fair treatment of people of all races, cultures, and incomes with
18 respect to the location of public facilities and the provision of
19 public services.

ASSEMBLY BILL

No. 2491

Introduced by Assembly Members Cooley and Quirk

February 14, 2018

An act to amend Section 97.70 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2491, as introduced, Cooley. Local government finance: vehicle license fee adjustment amounts.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

Existing property tax law also requires that, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing property tax law requires that each city, county, and city and county receive additional property tax revenues in the form of

a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Existing law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. Existing property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Existing law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012.

This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, and for a qualified city, as defined, incorporating after January 1, 2012, would establish an additional separate vehicle license fee adjustment amount.

By imposing additional duties upon local tax officials with respect to the allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

- 1 SECTION 1. Section 97.70 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 97.70. Notwithstanding any other law, for the 2004–05 fiscal
- 4 year and for each fiscal year thereafter, all of the following apply:
- 5 (a) (1) (A) The auditor shall reduce the total amount of ad
- 6 valorem property tax revenue that is otherwise required to be
- 7 allocated to a county's Educational Revenue Augmentation Fund
- 8 by the countywide vehicle license fee adjustment amount.

1 (B) If, for the fiscal year, after complying with Section 97.68
2 there is not enough ad valorem property tax revenue that is
3 otherwise required to be allocated to a county Educational Revenue
4 Augmentation Fund for the auditor to complete the allocation
5 reduction required by subparagraph (A), the auditor shall
6 additionally reduce the total amount of ad valorem property tax
7 revenue that is otherwise required to be allocated to all school
8 districts and community college districts in the county for that
9 fiscal year by an amount equal to the difference between the
10 countywide vehicle license fee adjustment amount and the amount
11 of ad valorem property tax revenue that is otherwise required to
12 be allocated to the county Educational Revenue Augmentation
13 Fund for that fiscal year. This reduction for each school district
14 and community college district in the county shall be the percentage
15 share of the total reduction that is equal to the proportion that the
16 total amount of ad valorem property tax revenue that is otherwise
17 required to be allocated to the school district or community college
18 district bears to the total amount of ad valorem property tax revenue
19 that is otherwise required to be allocated to all school districts and
20 community college districts in a county. For purposes of this
21 subparagraph, “school districts” and “community college districts”
22 do not include any districts that are excess tax school entities, as
23 defined in Section 95.

24 (2) The countywide vehicle license fee adjustment amount shall
25 be allocated to the Vehicle License Fee Property Tax Compensation
26 Fund that shall be established in the treasury of each county.

27 (b) (1) The auditor shall allocate moneys in the Vehicle License
28 Fee Property Tax Compensation Fund according to the following:

29 (A) Each city in the county shall receive its vehicle license fee
30 adjustment amount.

31 (B) Each county and city and county shall receive its vehicle
32 license fee adjustment amount.

33 (2) The auditor shall allocate one-half of the amount specified
34 in paragraph (1) on or before January 31 of each fiscal year, and
35 the other one-half on or before May 31 of each fiscal year.

36 (c) For purposes of this section, all of the following apply:

37 (1) “Vehicle license fee adjustment amount” for a particular
38 city, county, or a city and county means, subject to an adjustment
39 under paragraph (2) and Section 97.71, all of the following:

1 (A) For the 2004–05 fiscal year, an amount equal to the
2 difference between the following two amounts:

3 (i) The estimated total amount of revenue that would have been
4 deposited to the credit of the Motor Vehicle License Fee Account
5 in the Transportation Tax Fund, including any amounts that would
6 have been certified to the Controller by the auditor of the County
7 of Ventura under subdivision (j) of Section 98.02, as that section
8 read on January 1, 2004, for distribution under the law as it read
9 on January 1, 2004, to the county, city and county, or city for the
10 2004–05 fiscal year if the fee otherwise due under the Vehicle
11 License Fee Law (Part 5 (commencing with Section 10701) of
12 Division 2) was 2 percent of the market value of a vehicle, as
13 specified in Sections 10752 and 10752.1 as those sections read on
14 January 1, 2004.

15 (ii) The estimated total amount of revenue that is required to be
16 distributed from the Motor Vehicle License Fee Account in the
17 Transportation Tax Fund to the county, city and county, and each
18 city in the county for the 2004–05 fiscal year under Section 11005,
19 as that section read on the operative date of the act that amended
20 this clause.

21 (B) (i) Subject to an adjustment under clause (ii), for the
22 2005–06 fiscal year, the sum of the following two amounts:

23 (I) The difference between the following two amounts:

24 (ia) The actual total amount of revenue that would have been
25 deposited to the credit of the Motor Vehicle License Fee Account
26 in the Transportation Tax Fund, including any amounts that would
27 have been certified to the Controller by the auditor of the County
28 of Ventura under subdivision (j) of Section 98.02, as that section
29 read on January 1, 2004, for distribution under the law as it read
30 on January 1, 2004, to the county, city and county, or city for the
31 2004–05 fiscal year if the fee otherwise due under the Vehicle
32 License Fee Law (Part 5 (commencing with Section 10701) of
33 Division 2) was 2 percent of the market value of a vehicle, as
34 specified in Sections 10752 and 10752.1 as those sections read on
35 January 1, 2004.

36 (ib) The actual total amount of revenue that was distributed
37 from the Motor Vehicle License Fee Account in the Transportation
38 Tax Fund to the county, city and county, and each city in the county
39 for the 2004–05 fiscal year under Section 11005, as that section

1 read on the operative date of the act that amended this
2 subsubclause.

3 (II) The product of the following two amounts:

4 (ia) The amount described in subclause (I).

5 (ib) The percentage change from the prior fiscal year to the
6 current fiscal year in gross taxable assessed valuation within the
7 jurisdiction of the entity, as reflected in the equalized assessment
8 roll for those fiscal years. For the first fiscal year for which a
9 change in a city's jurisdictional boundaries first applies, the
10 percentage change in gross taxable assessed valuation from the
11 prior fiscal year to the current fiscal year shall be calculated solely
12 on the basis of the city's previous jurisdictional boundaries, without
13 regard to the change in that city's jurisdictional boundaries. For
14 each following fiscal year, the percentage change in gross taxable
15 assessed valuation from the prior fiscal year to the current fiscal
16 year shall be calculated on the basis of the city's current
17 jurisdictional boundaries.

18 (ii) The amount described in clause (i) shall be adjusted as
19 follows:

20 (I) If the amount described in subclause (I) of clause (i) for a
21 particular city, county, or city and county is greater than the amount
22 described in subparagraph (A) for that city, county, or city and
23 county, the amount described in clause (i) shall be increased by
24 an amount equal to this difference.

25 (II) If the amount described in subclause (I) of clause (i) for a
26 particular city, county, or city and county is less than the amount
27 described in subparagraph (A) for that city, county, or city and
28 county, the amount described in clause (i) shall be decreased by
29 an amount equal to this difference.

30 (C) For the 2006–07 fiscal year and for each fiscal year
31 thereafter, the sum of the following two amounts:

32 (i) The vehicle license fee adjustment amount for the prior fiscal
33 year, if Section 97.71 and clause (ii) of subparagraph (B) did not
34 apply for that fiscal year, for that city, county, and city and county.

35 (ii) The product of the following two amounts:

36 (I) The amount described in clause (i).

37 (II) The percentage change from the prior fiscal year to the
38 current fiscal year in gross taxable assessed valuation within the
39 jurisdiction of the entity, as reflected in the equalized assessment
40 roll for those fiscal years. For the first fiscal year for which a

1 change in a city's jurisdictional boundaries first applies, the
2 percentage change in gross taxable assessed valuation from the
3 prior fiscal year to the current fiscal year shall be calculated solely
4 on the basis of the city's previous jurisdictional boundaries, without
5 regard to the change in that city's jurisdictional boundaries. For
6 each following fiscal year, the percentage change in gross taxable
7 assessed valuation from the prior fiscal year to the current fiscal
8 year shall be calculated on the basis of the city's current
9 jurisdictional boundaries.

10 (2) Notwithstanding paragraph (1), "vehicle license fee
11 adjustment amount," for a city incorporating after January 1, 2004,
12 and on or before January 1, 2012, means the following:

13 (A) For the 2017–18 fiscal year, the quotient derived from the
14 following fraction:

15 (i) The numerator is the product of the following two amounts:

16 (I) The sum of the most recent vehicle license fee adjustment
17 amounts determined for all cities in the county.

18 (II) The population of the incorporating city.

19 (ii) The denominator is the sum of the populations of all cities
20 in the county.

21 (B) For the 2018–19 fiscal year, and for each fiscal year
22 thereafter, the sum of the following two amounts:

23 (i) The vehicle license fee adjustment amount for the prior fiscal
24 year.

25 (ii) The product of the following two amounts:

26 (I) The amount described in clause (i).

27 (II) The percentage change from the prior fiscal year to the
28 current fiscal year in gross taxable assessed valuation within the
29 jurisdiction of the entity, as reflected in the equalized assessment
30 roll for those fiscal years.

31 (3) *Notwithstanding paragraph (1), both of the following shall*
32 *apply:*

33 (A) *"Vehicle license fee adjustment amount," for a city*
34 *incorporating after January 1, 2012, means the following:*

35 (i) *For the first fiscal year of incorporation, the quotient derived*
36 *from the following fraction:*

37 (I) *The numerator is the product of the following two amounts:*

38 (ia) *The sum of the most recent vehicle license fee adjustment*
39 *amounts determined for all cities in the county.*

40 (ib) *The population of the incorporating city.*

1 (ii) *The denominator is the sum of the population of all cities*
2 *in the county other than the incorporating city.*

3 (ii) *For the second fiscal year of incorporation, and for each*
4 *fiscal year thereafter, the sum of the following two amounts:*

5 (I) *The vehicle license fee adjustment amount determined for*
6 *the incorporating city for the prior fiscal year.*

7 (II) *The product of the following two amounts:*

8 (i) *The amount described in subclause (I).*

9 (ii) *The percentage change from the prior fiscal year to the*
10 *current fiscal year in gross taxable assessed valuation within the*
11 *jurisdiction of the incorporating city, as reflected in the equalized*
12 *assessment roll for those fiscal years.*

13 (B) (i) *“Vehicle license fee adjustment amount,” for a qualified*
14 *city incorporating after January 1, 2012, for the first fiscal year*
15 *of incorporation, and for the next four fiscal years thereafter, also*
16 *means the product of the following two amounts:*

17 (I) *The amount determined in clause (i) of subparagraph (A).*

18 (II) *The quotient derived from the following fraction:*

19 (i) *The numerator is the difference between the number of*
20 *registered voters in the city on the effective date of its incorporation*
21 *multiplied by three and the actual population of the city on the*
22 *effective date of its incorporation.*

23 (ii) *The denominator is the population of the city on the effective*
24 *date of its incorporation.*

25 (ii) *“Qualified city” means a city in which, on the effective date*
26 *of its incorporation, the number of registered voters in the city*
27 *multiplied by three exceeds the actual population of the city.*

28 ~~(3)~~

29 (4) *For the 2013–14 fiscal year, the vehicle license fee*
30 *adjustment amount that is determined under subparagraph (C) of*
31 *paragraph (1) for the County of Orange shall be increased by*
32 *fifty-three million dollars (\$53,000,000). For the 2014–15 fiscal*
33 *year and each fiscal year thereafter, the calculation of the vehicle*
34 *license fee adjustment amount for the County of Orange under*
35 *subparagraph (C) of paragraph (1) shall be based on a prior fiscal*
36 *year amount that reflects the full amount of this one-time increase*
37 *of fifty-three million dollars (\$53,000,000).*

38 (5) *“Countywide vehicle license fee adjustment amount” means,*
39 *for any fiscal year, the total sum of the amounts described in*

1 paragraphs (1), (2), ~~and (3)~~ (3), *and* (4) for a county or city and
2 county, and each city in the county.

3 (6) On or before June 30 of each fiscal year, the auditor shall
4 report to the Controller the vehicle license fee adjustment amount
5 for the county and each city in the county for that fiscal year.

6 (d) For the 2005–06 fiscal year and each fiscal year thereafter,
7 the amounts determined under subdivision (a) of Section 96.1, or
8 any successor to that provision, shall not reflect, for a preceding
9 fiscal year, any portion of any allocation required by this section.

10 (e) For purposes of Section 15 of Article XI of the California
11 Constitution, the allocations from a Vehicle License Fee Property
12 Tax Compensation Fund constitute successor taxes that are
13 otherwise required to be allocated to counties and cities, and as
14 successor taxes, the obligation to make those transfers as required
15 by this section shall not be extinguished nor disregarded in any
16 manner that adversely affects the security of, or the ability of, a
17 county or city to pay the principal and interest on any debts or
18 obligations that were funded or secured by that city's or county's
19 allocated share of motor vehicle license fee revenues.

20 (f) This section shall not be construed to do any of the following:

21 (1) Reduce any allocations of excess, additional, or remaining
22 funds that would otherwise have been allocated to county
23 superintendents of schools, cities, counties, and cities and counties
24 pursuant to clause (i) of subparagraph (B) of paragraph (4) of
25 subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing
26 with Section 98) had this section not been enacted. The allocations
27 required by this section shall be adjusted to comply with this
28 paragraph.

29 (2) Require an increased ad valorem property tax revenue
30 allocation or increased tax increment allocation to a community
31 redevelopment agency.

32 (3) Alter the manner in which ad valorem property tax revenue
33 growth from fiscal year to fiscal year is otherwise determined or
34 allocated in a county.

35 (4) Reduce ad valorem property tax revenue allocations required
36 under Article 4 (commencing with Section 98).

37 (g) Tax exchange or revenue sharing agreements, entered into
38 prior to the operative date of this section, between local agencies
39 or between local agencies and nonlocal agencies are deemed to be
40 modified to account for the reduced vehicle license fee revenues

1 resulting from the act that added this section. These agreements
2 are modified in that these reduced revenues are, in kind and in lieu
3 thereof, replaced with ad valorem property tax revenue from a
4 Vehicle License Fee Property Tax Compensation Fund or an
5 Educational Revenue Augmentation Fund.

6 SEC. 2. If the Commission on State Mandates determines that
7 this act contains costs mandated by the state, reimbursement to
8 local agencies and school districts for those costs shall be made
9 pursuant to Part 7 (commencing with Section 17500) of Division
10 4 of Title 2 of the Government Code.

ASSEMBLY BILL

No. 2268

Introduced by Assembly Member Reyes

February 13, 2018

An act to amend Section 97.70 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2268, as introduced, Reyes. Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

Existing property tax law also requires that, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle

license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Existing law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. Existing law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Existing law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2014, and on or before January 1, 2012.

This bill, for the 2018–19 fiscal year, would instead require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2004–05 fiscal year, if a specified provision did not apply, and the product of the amount as so described and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2004–05 fiscal year to the 2018–19 fiscal year. This bill, for the 2019–20 fiscal year, and for each fiscal year thereafter, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year and the product of the amount as so described and the percentage change from the prior fiscal year in gross taxable assessed valuation within the jurisdiction of the entity.

By imposing additional duties upon local tax officials with respect to the allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 97.70 of the Revenue and Taxation Code
2 is amended to read:

3 97.70. Notwithstanding any other law, for the 2004–05 fiscal
4 year and for each fiscal year thereafter, all of the following apply:

5 (a) (1) (A) The auditor shall reduce the total amount of ad
6 valorem property tax revenue that is otherwise required to be
7 allocated to a county’s Educational Revenue Augmentation Fund
8 by the countywide vehicle license fee adjustment amount.

9 (B) If, for the fiscal year, after complying with Section 97.68
10 there is not enough ad valorem property tax revenue that is
11 otherwise required to be allocated to a county Educational Revenue
12 Augmentation Fund for the auditor to complete the allocation
13 reduction required by subparagraph (A), the auditor shall
14 additionally reduce the total amount of ad valorem property tax
15 revenue that is otherwise required to be allocated to all school
16 districts and community college districts in the county for that
17 fiscal year by an amount equal to the difference between the
18 countywide vehicle license fee adjustment amount and the amount
19 of ad valorem property tax revenue that is otherwise required to
20 be allocated to the county Educational Revenue Augmentation
21 Fund for that fiscal year. This reduction for each school district
22 and community college district in the county shall be the percentage
23 share of the total reduction that is equal to the proportion that the
24 total amount of ad valorem property tax revenue that is otherwise
25 required to be allocated to the school district or community college
26 district bears to the total amount of ad valorem property tax revenue
27 that is otherwise required to be allocated to all school districts and
28 community college districts in a county. For purposes of this
29 subparagraph, “school districts” and “community college districts”
30 do not include any districts that are excess tax school entities, as
31 defined in Section 95.

32 (2) The countywide vehicle license fee adjustment amount shall
33 be allocated to the Vehicle License Fee Property Tax Compensation
34 Fund that shall be established in the treasury of each county.

35 (b) (1) The auditor shall allocate moneys in the Vehicle License
36 Fee Property Tax Compensation Fund according to the following:

37 (A) Each city in the county shall receive its vehicle license fee
38 adjustment amount.

1 (B) Each county and city and county shall receive its vehicle
2 license fee adjustment amount.

3 (2) The auditor shall allocate one-half of the amount specified
4 in paragraph (1) on or before January 31 of each fiscal year, and
5 the other one-half on or before May 31 of each fiscal year.

6 (c) For purposes of this section, all of the following apply:

7 (1) "Vehicle license fee adjustment amount" for a particular
8 city, county, or a city and county means, subject to an adjustment
9 under paragraph (2) and Section 97.71, all of the following:

10 (A) For the 2004–05 fiscal year, an amount equal to the
11 difference between the following two amounts:

12 (i) The estimated total amount of revenue that would have been
13 deposited to the credit of the Motor Vehicle License Fee Account
14 in the Transportation Tax Fund, including any amounts that would
15 have been certified to the Controller by the auditor of the County
16 of Ventura under subdivision (j) of Section 98.02, as that section
17 read on January 1, 2004, for distribution under the law as it read
18 on January 1, 2004, to the county, city and county, or city for the
19 2004–05 fiscal year if the fee otherwise due under the Vehicle
20 License Fee Law (Part 5 (commencing with Section 10701) of
21 Division 2) was 2 percent of the market value of a vehicle, as
22 specified in Sections 10752 and 10752.1 as those sections read on
23 January 1, 2004.

24 (ii) The estimated total amount of revenue that is required to be
25 distributed from the Motor Vehicle License Fee Account in the
26 Transportation Tax Fund to the county, city and county, and each
27 city in the county for the 2004–05 fiscal year under Section 11005,
28 as that section read on the operative date of the act that amended
29 this clause.

30 (B) (i) Subject to an adjustment under clause (ii), for the
31 2005–06 fiscal year, the sum of the following two amounts:

32 (I) The difference between the following two amounts:

33 (ia) The actual total amount of revenue that would have been
34 deposited to the credit of the Motor Vehicle License Fee Account
35 in the Transportation Tax Fund, including any amounts that would
36 have been certified to the Controller by the auditor of the County
37 of Ventura under subdivision (j) of Section 98.02, as that section
38 read on January 1, 2004, for distribution under the law as it read
39 on January 1, 2004, to the county, city and county, or city for the
40 2004–05 fiscal year if the fee otherwise due under the Vehicle

1 License Fee Law (Part 5 (commencing with Section 10701) of
2 Division 2) was 2 percent of the market value of a vehicle, as
3 specified in Sections 10752 and 10752.1 as those sections read on
4 January 1, 2004.

5 (ib) The actual total amount of revenue that was distributed
6 from the Motor Vehicle License Fee Account in the Transportation
7 Tax Fund to the county, city and county, and each city in the county
8 for the 2004–05 fiscal year under Section 11005, as that section
9 read on the operative date of the act that amended this
10 subsubclause.

11 (II) The product of the following two amounts:

12 (ia) The amount described in subclause (I).

13 (ib) The percentage change from the prior fiscal year to the
14 current fiscal year in gross taxable assessed valuation within the
15 jurisdiction of the entity, as reflected in the equalized assessment
16 roll for those fiscal years. For the first fiscal year for which a
17 change in a city's jurisdictional boundaries first applies, the
18 percentage change in gross taxable assessed valuation from the
19 prior fiscal year to the current fiscal year shall be calculated solely
20 on the basis of the city's previous jurisdictional boundaries, without
21 regard to the change in that city's jurisdictional boundaries. For
22 each following fiscal year, the percentage change in gross taxable
23 assessed valuation from the prior fiscal year to the current fiscal
24 year shall be calculated on the basis of the city's current
25 jurisdictional boundaries.

26 (ii) The amount described in clause (i) shall be adjusted as
27 follows:

28 (I) If the amount described in subclause (I) of clause (i) for a
29 particular city, county, or city and county is greater than the amount
30 described in subparagraph (A) for that city, county, or city and
31 county, the amount described in clause (i) shall be increased by
32 an amount equal to this difference.

33 (II) If the amount described in subclause (I) of clause (i) for a
34 particular city, county, or city and county is less than the amount
35 described in subparagraph (A) for that city, county, or city and
36 county, the amount described in clause (i) shall be decreased by
37 an amount equal to this difference.

38 (C) For the 2006–07 fiscal year and ~~for each fiscal year~~
39 ~~thereafter, until the 2017–18 fiscal year, inclusive~~, the sum of the
40 following two amounts:

1 (i) The vehicle license fee adjustment amount for the prior fiscal
2 year, if Section 97.71 and clause (ii) of subparagraph (B) did not
3 apply for that fiscal year, for that city, county, and city and county.

4 (ii) The product of the following two amounts:

5 (I) The amount described in clause (i).

6 (II) The percentage change from the prior fiscal year to the
7 current fiscal year in gross taxable assessed valuation within the
8 jurisdiction of the entity, as reflected in the equalized assessment
9 roll for those fiscal years. For the first fiscal year for which a
10 change in a city's jurisdictional boundaries first applies, the
11 percentage change in gross taxable assessed valuation from the
12 prior fiscal year to the current fiscal year shall be calculated solely
13 on the basis of the city's previous jurisdictional boundaries, without
14 regard to the change in that city's jurisdictional boundaries. For
15 each following fiscal year, the percentage change in gross taxable
16 assessed valuation from the prior fiscal year to the current fiscal
17 year shall be calculated on the basis of the city's current
18 jurisdictional boundaries.

19 (D) *For the 2018–19 fiscal year, the sum of the following two*
20 *amounts:*

21 (i) *The vehicle license fee adjustment amount calculated in the*
22 *2004–05 fiscal year pursuant to subparagraph (A), if Section 97.71*
23 *did not apply for that fiscal year.*

24 (ii) *The product of the following two amounts:*

25 (I) *The amount described in clause (i).*

26 (II) *The percentage change from the 2004–05 fiscal year to the*
27 *2018–2019 fiscal year, inclusive, in gross taxable assessed*
28 *valuation within the jurisdiction of the entity, as reflected in the*
29 *equalized assessment roll for those fiscal years.*

30 (E) *The for the 2019–20 fiscal year, and for each fiscal year*
31 *thereafter, the sum of the following two amounts:*

32 (i) *The vehicle license fee adjustment amount for the prior fiscal*
33 *year.*

34 (ii) *The product of the following two amounts:*

35 (I) *The vehicle license fee adjustment amount for the prior fiscal*
36 *year.*

37 (II) *The percentage change from the prior fiscal year to the*
38 *current fiscal year in gross taxable assessed valuation within the*
39 *jurisdiction of the entity, as reflected in the equalized assessment*
40 *role for those fiscal years.*

1 (2) Notwithstanding paragraph (1), “vehicle license fee
2 adjustment amount,” for a city incorporating after January 1, 2004,
3 and on or before January 1, 2012, means the following:

4 (A) For the 2017–18 fiscal year, the quotient derived from the
5 following fraction:

6 (i) The numerator is the product of the following two amounts:

7 (I) The sum of the most recent vehicle license fee adjustment
8 amounts determined for all cities in the county.

9 (II) The population of the incorporating city.

10 (ii) The denominator is the sum of the populations of all cities
11 in the county.

12 (B) For the 2018–19 fiscal year, and for each fiscal year
13 thereafter, the sum of the following two amounts:

14 (i) The vehicle license fee adjustment amount for the prior fiscal
15 year.

16 (ii) The product of the following two amounts:

17 (I) The amount described in clause (i).

18 (II) The percentage change from the prior fiscal year to the
19 current fiscal year in gross taxable assessed valuation within the
20 jurisdiction of the entity, as reflected in the equalized assessment
21 roll for those fiscal years.

22 (3) For the 2013–14 fiscal year, the vehicle license fee
23 adjustment amount that is determined under subparagraph (C) of
24 paragraph (1) for the County of Orange shall be increased by
25 fifty-three million dollars (\$53,000,000). For the 2014–15 fiscal
26 year and each fiscal year thereafter, the calculation of the vehicle
27 license fee adjustment amount for the County of Orange under
28 subparagraph (C) of paragraph (1) shall be based on a prior fiscal
29 year amount that reflects the full amount of this one-time increase
30 of fifty-three million dollars (\$53,000,000).

31 (4) “Countywide vehicle license fee adjustment amount” means,
32 for any fiscal year, the total sum of the amounts described in
33 paragraphs (1), (2), and (3) for a county or city and county, and
34 each city in the county.

35 (5) On or before June 30 of each fiscal year, the auditor shall
36 report to the Controller the vehicle license fee adjustment amount
37 for the county and each city in the county for that fiscal year.

38 (d) For the 2005–06 fiscal year and each fiscal year thereafter,
39 the amounts determined under subdivision (a) of Section 96.1, or

1 any successor to that provision, shall not reflect, for a preceding
2 fiscal year, any portion of any allocation required by this section.

3 (e) For purposes of Section 15 of Article XI of the California
4 Constitution, the allocations from a Vehicle License Fee Property
5 Tax Compensation Fund constitute successor taxes that are
6 otherwise required to be allocated to counties and cities, and as
7 successor taxes, the obligation to make those transfers as required
8 by this section shall not be extinguished nor disregarded in any
9 manner that adversely affects the security of, or the ability of, a
10 county or city to pay the principal and interest on any debts or
11 obligations that were funded or secured by that city's or county's
12 allocated share of motor vehicle license fee revenues.

13 (f) This section shall not be construed to do any of the following:

14 (1) Reduce any allocations of excess, additional, or remaining
15 funds that would otherwise have been allocated to county
16 superintendents of schools, cities, counties, and cities and counties
17 pursuant to clause (i) of subparagraph (B) of paragraph (4) of
18 subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing
19 with Section 98) had this section not been enacted. The allocations
20 required by this section shall be adjusted to comply with this
21 paragraph.

22 (2) Require an increased ad valorem property tax revenue
23 allocation or increased tax increment allocation to a community
24 redevelopment agency.

25 (3) Alter the manner in which ad valorem property tax revenue
26 growth from fiscal year to fiscal year is otherwise determined or
27 allocated in a county.

28 (4) Reduce ad valorem property tax revenue allocations required
29 under Article 4 (commencing with Section 98).

30 (g) Tax exchange or revenue sharing agreements, entered into
31 prior to the operative date of this section, between local agencies
32 or between local agencies and nonlocal agencies are deemed to be
33 modified to account for the reduced vehicle license fee revenues
34 resulting from the act that added this section. These agreements
35 are modified in that these reduced revenues are, in kind and in lieu
36 thereof, replaced with ad valorem property tax revenue from a
37 Vehicle License Fee Property Tax Compensation Fund or an
38 Educational Revenue Augmentation Fund.

39 SEC. 2. If the Commission on State Mandates determines that
40 this act contains costs mandated by the state, reimbursement to

- 1 local agencies and school districts for those costs shall be made
- 2 pursuant to Part 7 (commencing with Section 17500) of Division
- 3 4 of Title 2 of the Government Code.

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AMENDED IN ASSEMBLY MARCH 15, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2258

Introduced by Assembly Member Caballero

February 13, 2018

An act to ~~amend Section 56381 of the Government Code, add and repeal Section 75131 of the Public Resources Code,~~ relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2258, as amended, Caballero. Local ~~government.~~ *agency formation commissions: grant program.*

~~Existing law~~

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The act requires a local agency formation commission in each county to encourage the orderly formation and development of local agencies based upon local conditions and circumstances, among other things. Existing law requires the county auditor to apportion, as specified, the net operating expenses of the local agency formation commission among the county, cities, and special districts within the commission's jurisdiction.

~~This bill would make a nonsubstantive change to that provision.~~

Existing law also establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities.

This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

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

- 1 SECTION 1. *The Legislature hereby finds and declares:*
2 (a) *Local agency formation commissions play a critical role in*
3 *the logical formation of local agency boundaries, the promotion*
4 *of orderly development, and the efficient and effective provision*
5 *of services.*
6 (b) *It is the intent of the Legislature in adding Section 75131 to*
7 *the Public Resources Code to assist local agency formation*
8 *commissions in initiating studies of existing government agencies*
9 *and their provision of services and to consider action based on*
10 *the results of these studies, including dissolving inactive districts,*
11 *for the purpose of creating streamlined local government services*
12 *and improved efficiency in service delivery.*
13 SEC. 2. *Section 75131 is added to the Public Resources Code,*
14 *to read:*
15 75131. (a) (1) *The council shall establish and administer a*
16 *local agency formation commissions grant program for the*
17 *purposes described in subdivision (b).*
18 (2) *Program funding shall be subject to appropriation in the*
19 *annual Budget Act.*
20 (3) *Program funds provided to participating local agency*
21 *formation commissions shall be used to supplement, and not*
22 *supplant, existing funding and staffing levels.*
23 (4) *Program funds provided to participating local agency*
24 *formation commissions shall not be used to conduct a service*

1 review of municipal services pursuant to Section 56430 of the
2 Government Code.

3 (5) All local agency formation commissions shall be eligible to
4 participate in the program.

5 (b) The council shall award grants to local agency formation
6 commissions for any of the following purposes:

7 (1) The payment of costs associated with initiating and
8 completing the dissolution of inactive districts, as defined in Section
9 56042 of the Government Code, pursuant to Section 56879 of the
10 Government Code.

11 (2) The payment of costs associated with a study prepared
12 pursuant to Section 56378 of the Government Code of the services
13 provided within a county by a public agency to do either or both
14 of the following:

15 (A) Identify if there are any efficiencies to be gained in the
16 provision of services.

17 (B) Determine what alternatives, if any, exist for improving
18 efficiency and affordability of infrastructure and service delivery.

19 (3) The payment of costs to do any of the following:

20 (A) Initiate an action, described in paragraph (2) of subdivision
21 (a) of Section 56375, other than the dissolution of an inactive
22 district, based on determinations found in a study prepared
23 pursuant to Section 56378 of the Government Code, as approved
24 by the commission.

25 (B) Develop and implement reorganization plans with timelines
26 for expected outcomes.

27 (C) Incentivize service providers to work with the local agency
28 formation commission to develop and implement reorganization
29 plans with timelines for expected outcomes.

30 (c) (1) In order to obtain a grant award pursuant to paragraph
31 (1) of subdivision (b), a local agency formation commission shall
32 submit to the council an application for reimbursement of the costs
33 of the dissolution proceedings, in the form and manner specified
34 by the council. At a minimum, the application shall include all of
35 the following:

36 (A) The notification provided to the commission by the
37 Controller of the inactive district(s) and the requirement to initiate
38 dissolution proceedings.

39 (B) A full budget accounting for costs of the dissolution.

1 (C) All reports and documents pertaining to the final dissolution
2 action.

3 (2) The council shall review the application for reimbursement
4 and, provided all documentation is in order, issue reimbursement
5 to the local agency formation commission within 60 days of receipt
6 of the application.

7 (d) (1) In order to obtain a grant award pursuant to paragraph
8 (2) of subdivision (b) for purposes of conducting a study, a local
9 agency formation commission shall submit to the council an
10 application, in the form and manner specified by the council. At
11 a minimum, the application shall include all of the following:

12 (A) A resolution adopted by the commission authorizing
13 submission of the grant application and a commitment to review
14 and consider the recommendations and potential actions contained
15 in the study.

16 (B) A full budget accounting for estimated costs of the study to
17 be performed.

18 (C) A full explanation of the reason for the study.

19 (D) The most recent completed municipal service review or
20 study in which determinations were made by the local agency
21 formation commission indicating the agency to be studied is a
22 candidate for a change of organization or reorganization.

23 (2) The council shall review the applications submitted pursuant
24 to paragraph (1), select the program participants based on criteria
25 that furthers the purposes of this section, and notify the participants
26 of their selection within two months of receiving the application.
27 Funds shall be issued by the council to the local agency formation
28 commission within 60 days of notification.

29 (3) A local agency formation commission that receives a grant
30 pursuant to paragraph (2) of subdivision (b) shall commence the
31 study within 30 days of receipt of funding and shall complete the
32 study within two years of commencing the study. Upon completion
33 of the study, the local agency formation commission shall do all
34 of the following:

35 (A) Submit to the council a final report within 30 days of the
36 completion of the study and the commission's adoption of a
37 resolution making determinations. The report shall be in the form
38 and manner specified by the council. At a minimum, the report
39 shall include all of the following:

40 (i) The full study conducted.

1 (ii) *The resolution making determinations as adopted by the*
2 *local agency formation commission.*

3 (iii) *A full budget accounting report of the funds used.*

4 (iv) *A reimbursement of any unexpended funds.*

5 (v) *The local agency formation commission's plan for future*
6 *action based on the study's conclusions.*

7 (B) *Upon the request of the council, participating local agency*
8 *formation commissions shall provide the council with any*
9 *supplemental information necessary to substantiate the information*
10 *contained in the report submitted pursuant to this subdivision.*

11 (e) (1) *A local agency formation commission that elects to apply*
12 *for a grant pursuant to paragraph (3) of subdivision (b) shall*
13 *submit to the council an application, in the form and manner*
14 *specified by the council. At a minimum, the application shall*
15 *include all of the following:*

16 (A) *A resolution adopted by the commission authorizing*
17 *submission of the application for purposes defined in the*
18 *application.*

19 (B) *Change of organization or reorganization plans with*
20 *timelines for expected outcomes.*

21 (C) *A full budget accounting for estimated costs of the action*
22 *to be performed.*

23 (D) *The most recent completed study in which determinations*
24 *were made by the local agency formation commission indicating*
25 *the agency should be reorganized or dissolved, or, if there exists*
26 *a municipal services review or study with like determinations that*
27 *is no more than five years old.*

28 (2) *The council shall review the applications submitted pursuant*
29 *to paragraph (3) of subdivision (b), select the program participants*
30 *based on criteria that furthers the purposes of this section, and*
31 *notify the participants of their selection within two months of*
32 *receiving the application. Funds shall be issued by the council to*
33 *the local agency formation commission within 60 days of*
34 *notification.*

35 (3) *A local agency formation commission that receives funds*
36 *pursuant to paragraph (3) of subdivision (b) shall commence action*
37 *within 30 days of receipt of funding.*

38 (4) *A local agency formation commission that receives funds*
39 *pursuant to paragraph (3) of subdivision (b) shall hold a public*
40 *hearing to consider the change of organization or reorganization,*

1 and if approved, order the change of organization or
2 reorganization unless a majority of protest exists pursuant to
3 subdivision (c) of Section 57077 of the Government Code. Upon
4 completion of the change of organization or reorganization, the
5 local agency formation commission that receives funds pursuant
6 to paragraph (3) of subdivision (b) shall do both of the following:

7 (A) Submit to the council a final report within 30 days of the
8 final action. The report shall be in the form and manner specified
9 by the council. At a minimum, the report shall include all of the
10 following:

11 (i) The final action taken by the local agency formation
12 commission.

13 (ii) If proceedings were terminated as a result of protest, all
14 necessary information pertinent to support that fact.

15 (iii) All reports and documents pertaining to the final action or
16 protest action.

17 (iv) A full budget accounting report of the funds used.

18 (v) The reimbursement of any unexpended funds.

19 (B) Upon the request of the council, the participating local
20 agency formation commission shall provide the council with any
21 supplemental information necessary to substantiate the information
22 contained in the report submitted pursuant to this subdivision.

23 (f) The Legislature finds and declares that there is a compelling
24 public interest in allowing the council to implement and administer
25 this section as expeditiously as possible, and to thereby accelerate
26 local agency formation commission efforts. The regulations
27 adopted by the council for purposes of this section shall be exempt
28 from the rulemaking provisions of the Administrative Procedure
29 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
30 Division 3 of Title 2 of the Government Code) for the purpose of
31 carrying out the duties enumerated in this section.

32 (g) For the purposes of this section, "local agency formation
33 commission" means a local agency formation commission that
34 operates in a county pursuant to the Cortese-Knox-Hertzberg
35 Local Government Reorganization Act of 2000 (Division 3
36 (commencing with Section 56000) of Title 5 of the Government
37 Code).

38 (h) This section shall be repealed on December 31, 2023.

39 ~~SECTION 1. Section 56381 of the Government Code is~~
40 ~~amended to read:~~

1 ~~56381. (a) The commission shall adopt annually, following~~
2 ~~noticed public hearings, a proposed budget by May 1 and final~~
3 ~~budget by June 15. At a minimum, the proposed and final budget~~
4 ~~shall be equal to the budget adopted for the previous fiscal year~~
5 ~~unless the commission finds that reduced staffing or program costs~~
6 ~~will nevertheless allow the commission to fulfill the purposes and~~
7 ~~programs of this chapter. The commission shall transmit its~~
8 ~~proposed and final budgets to the board of supervisors, to each~~
9 ~~city, and to each independent special district.~~

10 ~~(b) After public hearings, consideration of comments, and~~
11 ~~adoption of a final budget by the commission pursuant to~~
12 ~~subdivision (a), the auditor shall apportion the net operating~~
13 ~~expenses of a commission in the following manner:~~

14 ~~(1) (A) In counties in which there is city and independent~~
15 ~~special district representation on the commission, the county, cities,~~
16 ~~and independent special districts shall each provide a one-third~~
17 ~~share of the commission's operational costs.~~

18 ~~(B) The cities' share shall be apportioned in proportion to each~~
19 ~~city's total revenues, as reported in the most recent edition of the~~
20 ~~Cities Annual Report published by the Controller, as a percentage~~
21 ~~of the combined city revenues within a county, or by an alternative~~
22 ~~method approved by a majority of cities representing the majority~~
23 ~~of the combined cities' populations.~~

24 ~~(C) The independent special districts' share shall be apportioned~~
25 ~~in proportion to each district's total revenues as a percentage of~~
26 ~~the combined total district revenues within a county. Except as~~
27 ~~provided in subparagraph (D), an independent special district's~~
28 ~~total revenue shall be calculated for nonenterprise activities as~~
29 ~~total revenues for general purpose transactions less~~
30 ~~intergovernmental revenue and for enterprise activities as total~~
31 ~~operating and nonoperating revenues less intergovernmental~~
32 ~~revenue, as reported in the most recent edition of the "Special~~
33 ~~Districts Annual Report" published by the Controller, or by an~~
34 ~~alternative method approved by a majority of the agencies,~~
35 ~~representing a majority of their combined populations. For the~~
36 ~~purposes of fulfilling the requirement of this section, a multicounty~~
37 ~~independent special district shall be required to pay its~~
38 ~~apportionment in its principal county. It is the intent of the~~
39 ~~Legislature that no single district or class or type of district shall~~
40 ~~bear a disproportionate amount of the district share of costs.~~

~~(D) (i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code that operates a hospital, a health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts' net operating revenues within a county.~~

~~(ii) A health care district for which net from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.~~

~~(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.~~

~~(iv) As used in this subparagraph "net from operations" means total operating revenue less total operating expenses.~~

~~(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.~~

~~(F) Notwithstanding the requirements of subparagraph (C), an independent special district shall not be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district as otherwise provided in this section. In those counties in which a district's share is limited to 50 percent of the total independent special districts' share of the commission's operational costs, the share of the remaining districts shall be increased on a proportional basis so that the total amount for all~~

1 districts equals the share apportioned by the auditor to independent
2 special districts:

3 (2) ~~In counties in which there is no independent special district~~
4 ~~representation on the commission, the county and its cities shall~~
5 ~~each provide a one-half share of the commission's operational~~
6 ~~costs. The cities' share shall be apportioned in the manner~~
7 ~~described in paragraph (1).~~

8 (3) ~~In counties in which there are no cities, the county and its~~
9 ~~special districts shall each provide a one-half share of the~~
10 ~~commission's operational costs. The independent special districts'~~
11 ~~share shall be apportioned in the manner described for cities'~~
12 ~~apportionment in paragraph (1). If there is no independent special~~
13 ~~district representation on the commission, the county shall pay all~~
14 ~~of the commission's operational costs.~~

15 (4) ~~Instead of determining apportionment pursuant to paragraph~~
16 ~~(1), (2), or (3), any alternative method of apportionment of the net~~
17 ~~operating expenses of the commission may be used if approved~~
18 ~~by a majority vote of each of the following: the board of~~
19 ~~supervisors; a majority of the cities representing a majority of the~~
20 ~~total population of cities in the county; and the independent special~~
21 ~~districts representing a majority of the combined total population~~
22 ~~of independent special districts in the county. However, in no event~~
23 ~~shall an individual district's apportionment exceed the amount that~~
24 ~~would be calculated pursuant to subparagraphs (C) and (D) of~~
25 ~~paragraph (1), or in excess of 50 percent of the total independent~~
26 ~~special districts' share, without the consent of that district.~~

27 (e) ~~After apportioning the costs as required in subdivision (b),~~
28 ~~the auditor shall request payment from the board of supervisors~~
29 ~~and from each city and each independent special district no later~~
30 ~~than July 1 of each year for the amount that entity owes and the~~
31 ~~actual administrative costs incurred by the auditor in apportioning~~
32 ~~costs and requesting payment from each entity. If the county, a~~
33 ~~city, or an independent special district does not remit its required~~
34 ~~payment within 60 days, the commission may determine an~~
35 ~~appropriate method of collecting the required payment, including~~
36 ~~a request to the auditor to collect an equivalent amount from the~~
37 ~~property tax, or any fee or eligible revenue owed to the county,~~
38 ~~city, or district. The auditor shall provide written notice to the~~
39 ~~county, city, or district prior to appropriating a share of the property~~
40 ~~tax or other revenue to the commission for the payment due the~~

1 ~~commission pursuant to this section. Any expenses incurred by~~
2 ~~the commission or the auditor in collecting late payments or~~
3 ~~successfully challenging nonpayment shall be added to the payment~~
4 ~~owed to the commission. Between the beginning of the fiscal year~~
5 ~~and the time the auditor receives payment from each affected city~~
6 ~~and district, the board of supervisors shall transmit funds to the~~
7 ~~commission sufficient to cover the first two months of the~~
8 ~~commission's operating expenses as specified by the commission.~~
9 ~~When the city and district payments are received by the~~
10 ~~commission, the county's portion of the commission's annual~~
11 ~~operating expenses shall be credited with funds already received~~
12 ~~from the county. If, at the end of the fiscal year, the commission~~
13 ~~has funds in excess of what it needs, the commission may retain~~
14 ~~those funds and calculate them into the following fiscal year's~~
15 ~~budget. If, during the fiscal year, the commission is without~~
16 ~~adequate funds to operate, the board of supervisors may loan the~~
17 ~~commission funds. The commission shall appropriate sufficient~~
18 ~~funds in its budget for the subsequent fiscal year to repay the loan.~~



OFFICE OF ASSEMBLYMEMBER

Anna Caballero

THIRTIETH ASSEMBLY DISTRICT

ASSEMBLY BILL 2258

PURPOSE

AB 2258 establishes a funding program to provide grants to Local Agency Formation Commissions (LAFcos) to conduct studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of services and to complete the process to terminate inactive special districts.

Grant funds will be used specifically to conduct special studies to identify and fund projects which create greater efficiencies in the provision of municipal services and initiate actions based on those studies that remove or reduce local costs, thus incentivizing local agencies to work with the LAFco in developing and implementing reorganization plans, and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would be administered by the Strategic Growth Council and would sunset on December 31, 2023.

PROBLEM

LAFcos are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives cannot be regularly met under current funding mechanisms. As a result, much-needed LAFco activities are sometimes delayed or rejected because of the lack of funds. There is an increasing call for LAFcos to conduct more in-depth studies of local agency service providers that would consider options for greater efficiencies in the delivery of public services and improved governance models. AB 2258, as a pilot program, will provide for a small amount of one-time grant funding to assist LAFcos in performing these special studies.

BACKGROUND

The Legislature established LAFcos in 1963 to encourage the orderly formation of local government agencies. Since that time, the role and responsibilities of LAFcos have substantially increased to include preserving agricultural and open space land resources, discourage urban sprawl, and to ensure the efficient and sustainable provision of public services. Operating in all 58 California counties, LAFcos are responsible for assisting in the provision of effective local government services through its explicit authority to conduct boundary changes, approve spheres of influence, conduct municipal service reviews, and initiate changes of organization and reorganization for special districts.

Recently, some critics have become frustrated with the deliberative LAFco process that was not designed to yield immediate results, but rather to ensure all parties are actively engaged and the citizens' right to protest is not infringed. This has resulted in legislation that often overrides local LAFco processes in favor of a more streamlined approach that removes some or many of the deliberative safeguards imposed on LAFcos. An August 2017 Little Hoover Commission report on special districts outlined such concerns and recommended the Legislature consider one-time grant funding to pay for specified activities, suggesting that a small amount of funds (\$1-\$3 million) could save taxpayers money if local government services are streamlined and efficiency is improved.

The California Association of Local Agency Formation Commissions (CALAFco) surveyed its members to assist in developing a grant funding program. For a relatively small cost, LAFcos would be able to address known service and governance concerns that could potentially save California taxpayers additional money

through the reorganization of local government agencies and improved efficiencies in service delivery.

SOLUTION

AB 2258 establishes a grant funding program, administered by the Strategic Growth Council, to provide LAFCOs with funding to initiate and complete dissolution of inactive districts, prepare special studies, and potentially initiate actions based on determinations contained in the study. The grant program includes specific eligible activities and a requirement to report to the Strategic Growth Council as to the use of grant funds.

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