

Commission
Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerard McCallum
2nd Vice-Chair

Kathryn Barger
Richard Close
Margaret Finlay
Janice Hahn
Vacant
(City of Los Angeles)
Vacant
(Cities in L.A. County)

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

Staff
Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

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

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626/204-6500
Fax: 626/204-6507

www.lalafco.org

LOCAL AGENCY FORMATION COMMISSION MEETING AGENDA

Wednesday, June 13, 2018
9:00 a.m.

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

Entrance to the Commission Meetings requires entry through security screening at any of the public entrances to the KHHOA:

- 500 West Temple Street (third floor of KHHOA)
- 225 N. Hill Street (first floor of KHHOA)
- 222 N. Grand Avenue (fourth floor of KHHOA)
- Civic Mall/ Grand Park, between KHHOA and the Civil Court Building (second floor of the KHHOA)

Entrance through any other exterior door of the KHHOA is prohibited (all other entrances are locked) due to County of Los Angeles security restrictions.

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**

6. CONSENT ITEM(S)

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

- a. Approve Minutes of May 9, 2018.
- b. Approve the Operating Account Check Registers for the month of May 2018.
- c. Receive and file update on pending proposals.

7. PUBLIC HEARING(S)

None.

8. PROTEST HEARING(S)

- a. Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County, and Environmental Impact Report.

9. OTHER ITEMS

- a. Santa County Water District Update.

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

July 11, 2018

August 8, 2018

September 12, 2018

October 10, 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



Local Agency Formation Commission
for the County of Los Angeles

 **DRAFT**

Commission
Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerard McCallum
2nd Vice-Chair

Kathryn Barger
Richard Close
Margaret Finlay
Janice Hahn
Vacant
(City of Los Angeles)
Vacant
(Cities in L.A. County)

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

Staff
Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

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

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626/204-6500
Fax: 626/204-6507

www.lalafco.org

REGULAR MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION

FOR THE COUNTY OF LOS ANGELES

May 9, 2018

Present:

Donald Dear, First Vice-Chair

Kathryn Barger
Richard Close
Margaret Finlay
Janice Hahn
Gerard McCallum
John Mirisch

Lori Brogin-Falley, Alternate

Joe Ruzicka, Alternate
Greig Smith, Alternate

Paul Novak, Executive Officer
Thomas Faughnan, Legal Counsel

Absent:

Jerry Gladbach, Chair

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

Vacant:

Voting Los Angeles City Member

1 CALL MEETING TO ORDER

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

2 PLEDGE OF ALLEGIANCE

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

RE-APPOINTMENT OF COMMISSIONER FINLAY

First Vice-Chair Dear announced that the City Selection Committee re-appointed Councilmember Finlay as a LAFCO Voting Member to a new term (which will conclude in May of 2021).

WELCOMING OF A NEW COMMISSIONER

First Vice-Chair Dear introduced new Commissioner John Mirisch as a LAFCO Voting Member representing cities in Los Angeles County. Mr. Mirisch is the Vice-Mayor of the City of Beverly Hills.

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 to rise and state for the record the Commissioner to whom such campaign contributions were made and the item of their involvement (None).

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

4 SWEARING-IN OF SPEAKER(S)

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

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

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of April 11, 2018.

- b. Approved Operating Account Check Register for the month of April 2018.
- c. Received and filed update on pending proposals.

MOTION: Finlay SECOND: Hahn APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

[Commissioner Brogin-Falley arrived at 9:06 a.m.]

7 PUBLIC HEARING(S)

The following item was called for consideration:

- a. Recommended Final Budget for Fiscal Year 2018-19.

Adriana Romo, Deputy Executive Officer (DEO), summarized the staff report on the Recommended Final Budget for Fiscal Year 2018-19.

Commissioner Close asked how consultants are funded. The EO indicated that consultants are usually funded through a specified service account. If budget revisions are needed, it would be presented to the Commission for approval.

Commissioner Hahn asked if increased legal services are reflected in the Fiscal Year 2018-2019. The EO said "yes".

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 Final Budget for Fiscal Year 2018-2019; and
- Directed the Executive Officer to transmit the adopted Final Budget to local agencies and other parties as required by law.

MOTION: Finlay SECOND: McCallum APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.

ABSENT: Gladbach

8 PROTEST HEARING(S)

The following item was called for consideration:

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

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

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

The Commission took the following action:

- Adopted the Resolution Making Determinations Ordering Annexation No. 1079 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2018-02PR.

MOTION: Finlay SECOND: Ruzicka APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

9 OTHER ITEMS

The following item was called up for consideration:

- a. Selection of Other Post-Employment Benefits (OPEB) Trust Fund Administrator.

The DEO summarized the staff report on the Selection of Other Post-Employment Benefits (OPEB) Trust Fund Administrator and announced that Paul Kaymark (LAFCO's Certified Public Accountant) was available to answer any questions posed by the Commission.

The DEO indicated that a hard copy of the revised staff recommendation was given to each of the Commissioners to formalize the selection process.

Commissioner Mirisch asked if LAFCO has considered transitioning to another defined contribution system for post-employment healthcare benefits. The EO stated "no". The EO stated that he will report back to the Commission on this issue at a future meeting.

Commissioner McCallum asked how many LAFCO employees are there. The EO stated that there are seven current employees and three retirees.

The Commission took the following actions:

- Selected the California Public Employees' Retirement System (CalPERS) – California Employers' Retirement Benefit Trust Fund (CERBT) Division as its OPEB Trust Fund Administrator;
- Authorized staff to initiate negotiations with CalPERS – CERBT Division;
- Authorized the Commission's Presiding Officer to execute the required agreement and relevant membership forms; and
- Delegated authority to the Executive Officer and Deputy Executive Officer to request OPEB disbursements.

MOTION: McCallum SECOND: Finlay APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

9 OTHER ITEMS

The following item was called up for consideration:

- b. Sativa County Water District Update.

The EO summarized the staff report on the Sativa County Water District (District) Update.

The Commission was presented with two recorded televised local news reports.

The EO noted that the State of California Water Resource Control Boards (Water Boards) and the County of Los Angeles Public Health Department conducted water sampling within the District. The reports found no evidence of violations of primary drinking water standards. The sampling identified high levels of manganese and turbidity (cloudiness/discoloration).

Commissioner Hahn requested that the EO provide a comprehensive report defining LAFCO's role and available options. Lillian Salinger (Legal Counsel) suggested that the EO report back to the Commission at next month's meeting.

Commissioner Mirisch requested that LAFCO's staff work closely with the Office of Los

Angeles County Supervisor Mark Ridley-Thomas.

The public hearing was opened to receive testimony.

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

Maria Garza (General Manager, Santa Clara County Water District) came before the Commission. Ms. Garza reported that the District is making progress with capital improvements to the District's water system.

Commissioner Barger asked how the District will finance infrastructure repair and replacement at current budget levels. Ms. Garza indicated that once water meters are installed, it will help the District financially. Ms. Garza indicated that the representatives of the Water Replenishment District of Southern California are assisting the District with grant funding applications.

Commissioner Mirisch asked what percentage of water is local. Ms. Garza stated that the District receives 100% local groundwater.

Stephen Frieder (Attorney, Santa Clara County Water District) came before the Commission. Mr. Frieder indicated that the District is focusing on providing customers with good reliable water.

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

Mark Ravis (Attorney at Law) came before the Commission. Mr. Ravis noted that several residents who live within the District retained him as their attorney. Mr. Ravis stated that residents within the District are paying for water that they cannot use. Mr. Ravis indicated that residents have lost confidence in the Board of Directors of the District.

[Commissioner Brogin-Falley left at 10:26 a.m.]

Anita Aviles (Deputy City Attorney, City of Compton) came before the Commission. Ms. Aviles indicated that the representatives of the City of Compton (City) are interested in detaching the area (indicated in blue on the map of Santa Clara County Water District) that is within the City and within the boundaries of the District. Ms. Aviles noted that if the District is dissolved, the City could potentially provide water services to those areas located in the City of Compton.

Commissioner Mirisch asked if the City of Compton is interested in annexing the entire unincorporated territory into the City. Ms. Aviles indicated that she is not sure what the City Council's position is.

Chris Wilson (Director, Office of Assemblymember Mike Gipson) came before the Commission. Mr. Wilson indicated that Assemblymember Gipson is in communication with the District to identify short-term and long-term solutions.

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

The Commission took the following actions:

- Received and filed the Update; and
- Directed the Executive Officer to report back to Commission at next month's meeting.

MOTION: Hahn SECOND: Mirisch APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

10 LEGISLATION

The following item was called up for consideration:

- a. Legislative Update.

The EO noted that the staff report on the Legislative Update was incorrect on the LAFCO website. The hard copy of the staff report distributed to the Commission is correct.

The EO summarized the staff report on the Legislative Update.

The Commission took the following actions:

- Took "support" positions on AB 2491 (Cooley) and AB 2268 (Reyes), and directed staff to communicate the positions in letters to members of the State Legislature and the Governor; and
- Received and filed the Legislative Report.

MOTION: Mirisch SECOND: Barger APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

10 LEGISLATION

The following item was called up for consideration:

b. Proposed Legislation on Special District Governance.

The EO summarized the staff report on the Proposed Legislation on Special District Governance.

The Commission took the following action:

- Authorized the Executive Officer to work with representatives of other LAFCOs and CALAFCO to draft legislation enabling LAFCOs to determine the governance of special districts.

MOTION: Mirisch SECOND: McCallum APPROVED: 8-0-0
AYES: Barger, Close, Finlay, Hahn, Mirisch, McCallum, Ruzicka (Alt. for Gladbach),
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Gladbach

11 MISCELLANEOUS CORRESPONDENCE RECEIVED

None.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

The EO indicated that the San Gabriel Valley Mosquito and Vector Control District (SGVMVCD) will file an application with LAFCO this week to annex service gaps within the City of Azusa into the SGVMVCD.

The EO stated that the Compton Creek Mosquito Abatement District Board of Directors will meet today to approve and move forward with filing a proposal with LAFCO.

The EO indicated that he will report back to Commissioner Hahn's office regarding the status of the Greater Los Angeles County Vector Control District filing an application with LAFCO.

The EO stated that staff of Los Angeles City Council President Herb Wesson's Office communicated that Council President Wesson is considering appointing a new City of Los Angeles representative to the Commission.

14 PUBLIC COMMENT

None.

15 FUTURE MEETINGS

June 13, 2018

July 11, 2018

August 8, 2018

September 12, 2018

16 FUTURE AGENDA ITEMS

None.

17 ADJOURNMENT MOTION

On motion of First Vice-Chair Dear, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

LAFCO 03
Register Report
May 2018

6.b.

Type	Date	Num	Name	Amount	Balance
10000 Cash Unrestricted					
10005 - Operating Account-WF					
Bill Pmt -Check	05/17/2018	10021	Certified Records Managment	-446.35	-446.35
Bill Pmt -Check	05/17/2018	10022	Charter Communications	-524.22	-970.57
Bill Pmt -Check	05/17/2018	10023	CoreLogic	-28.80	-999.37
Bill Pmt -Check	05/17/2018	10024	CTS Clouds*	-1,912.50	-2,911.87
Bill Pmt -Check	05/17/2018	10025	Daily Journal	-30.00	-2,941.87
Bill Pmt -Check	05/17/2018	10026	FedEx	-16.61	-2,958.48
Bill Pmt -Check	05/17/2018	10027	Huntington Park Rubber Stamp	-26.38	-2,984.86
Bill Pmt -Check	05/17/2018	10028	Los Angeles County Assessor*	-40.00	-3,024.86
Bill Pmt -Check	05/17/2018	10029	Motor Parks	-630.00	-3,654.86
Bill Pmt -Check	05/17/2018	10030	Office Depot*	-344.80	-3,999.66
Bill Pmt -Check	05/17/2018	10031	Platinum Consulting	-1,397.50	-5,397.16
Bill Pmt -Check	05/17/2018	10032	Promac Image Systems	-275.92	-5,673.08
Bill Pmt -Check	05/17/2018	10033	S.D.R.M.A.	-7,678.62	-13,351.70
Bill Pmt -Check	05/17/2018	10034	Tel-Power Inc	-170.00	-13,521.70
Bill Pmt -Check	05/17/2018	10035	Wells Fargo	-383.25	-13,904.95
Bill Pmt -Check	05/31/2018	10036	ATT	-210.57	-14,115.52
Bill Pmt -Check	05/31/2018	10037	Bank of America*	-5,431.17	-19,546.69
Bill Pmt -Check	05/31/2018	10038	County Counsel	-13,152.83	-32,699.52
Bill Pmt -Check	05/31/2018	10039	ECS imaging, Inc.	-660.00	-33,359.52
Bill Pmt -Check	05/31/2018	10040	Neofunds	-558.42	-33,917.94
Bill Pmt -Check	05/31/2018	10041	The Lincoln National	-265.48	-34,183.42
Bill Pmt -Check	05/31/2018	10042	Tropical Interior Plants	-100.00	-34,283.42
Bill Pmt -Check	05/31/2018	10043	Western Graphix	-42.42	-34,325.84
Bill Pmt -Check	05/31/2018	10044	LACERA	-12,882.77	-47,208.61
Total 10005 - Operating Account-WF				-47,208.61	-47,208.61
Total 10000 Cash Unrestricted				-47,208.61	-47,208.61
TOTAL				-47,208.61	-47,208.61

12:47 PM
06/04/18
Accrual Basis

LAFCO 03
Register Report
May 2018

6.b.

Type	Date	Num	Name	Amount	Balance
10000 Cash Unrestricted					
10003 Operating Account					
Check	05/04/2018	ADP	ADP	-151.84	-151.84
Check	05/15/2018	DD	Ambar De La Torre	-1,870.19	-2,022.03
Check	05/15/2018	DM	Douglass Dorado	-2,804.53	-4,826.56
Check	05/15/2018	DD	Michael Henderson	-2,207.43	-7,033.99
Check	05/15/2018	DD	Patricia Knoebel-Wood	-1,346.89	-8,380.88
Check	05/15/2018	DD	Paul Novak	-5,030.10	-13,410.98
Check	05/15/2018	DD	Alisha O'Brien	-2,181.79	-15,592.77
Check	05/15/2018	DD	Adriana Romo	-3,265.15	-18,857.92
Check	05/15/2018	DM	Federal Tax Deposit	-4,058.64	-22,916.56
Check	05/15/2018	DM	State Income Tax	-1,217.87	-24,134.43
Check	05/25/2018	ADP	ADP	-144.50	-24,278.93
Check	05/25/2018	ADP	ADP	-39.37	-24,318.30
Check	05/30/2018	DD	Ambar De La Torre	-1,870.18	-26,188.48
Check	05/30/2018	DM	Douglass Dorado	-2,804.53	-28,993.01
Check	05/30/2018	DD	Michael Henderson	-2,207.44	-31,200.45
Check	05/30/2018	DD	Patricia Knoebel-Wood	-1,346.89	-32,547.34
Check	05/30/2018	DD	Michael Henderson	0.00	-32,547.34
Check	05/30/2018	DD	Paul Novak	-5,030.10	-37,577.44
Check	05/30/2018	DD	Alisha O'Brien	-1,943.25	-39,520.69
Check	05/30/2018	DD	Adriana Romo	-3,090.02	-42,610.71
Check	05/30/2018	DM	Federal Tax Deposit	-4,004.97	-46,615.68
Check	05/30/2018	DM	State Income Tax	-1,188.71	-47,804.39
Check	05/30/2018	320...	Kathryn Barger	-134.08	-47,938.47
Check	05/30/2018	320...	Lori W. Brogin	-138.52	-48,076.99
Check	05/30/2018	320...	Richard Close	-138.53	-48,215.52
Check	05/30/2018	DD	Donald L. Dear	-138.53	-48,354.05
Check	05/30/2018	320...	Margaret E. Finlay	-138.53	-48,492.58
Check	05/30/2018	DD	Janice Hahn	-135.37	-48,627.95
Check	05/30/2018	DD	Gerard McCallum II	-138.53	-48,766.48
Check	05/30/2018	320...	Greig L. Smith	-138.52	-48,905.00
Check	05/31/2018	DM	Federal Tax Deposit	-146.43	-49,051.43
Total 10003 Operating Account				-49,051.43	-49,051.43
Total 10000 Cash Unrestricted				-49,051.43	-49,051.43
TOTAL				-49,051.43	-49,051.43

		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, fish and game receipt, 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 Cairnloch Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown
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	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.	Protest hearing, June 13, 2018	11/6/2017	Jun-2018
20	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
21	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
22	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
23	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
24	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
25	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
26	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
27	DD	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
28	AD	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
29	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
30	AD	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
31	DD	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 irrevocable, CEQA, party disclosure, landowner consent.	3/27/2018	Unknown
32	DD	Reorganization No. 2018-03 to the City of Arcadia	Los Angeles County	.29 acres of uninhabited territory. Parcel 1 is located at the intersection of Oak Avenue and Duarte Road in the City of Arcadia and Parcel 2 is Located along Standish Street east of the intersection Mayflower Avenue and Standish Street adjacent to the City of Arcadia.	Notice of Filing sent 5-9-18 Incomplete filing: property tax transfer resolution, CEQA, party disclosure, approved map and legal, pre-zoning and labels.	5/8/2018	Unknown

Staff Report

June 13, 2018

Agenda Item No. 8.a.

**Protest Hearing on Annexation No. 426 to the County Sanitation District No. 14
of Los Angeles County**

On April 11, 2018, your Commission approved a request for the annexation of approximately 237.25± acres of uninhabited territory into the boundaries of County Sanitation District No. 14 of Los Angeles County. The Protest Hearing before you today will satisfy the requirements of Government Code Section 57000, *et seq.*

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

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, which was considered and adopted by your Commission, as a responsible agency, on April 11, 2018.

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 (EIR) 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. The Commission considered the EIR and adopted the Mitigation Monitoring and Reporting Program, Environmental Findings and Statement of Overriding Considerations on April 11, 2018. This action is within the scope of your Commission's CEQA findings.

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 protest hearing and receive written protests;
2. Close the protest hearing;
3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of written protests filed and not withdrawn and report back to the Commission with the results; and
4. Based upon the results of the protest hearing, adopt a resolution either terminating the annexation proceedings if a majority protest exists pursuant to Government Code Section 57078, or ordering Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

**RESOLUTION NO. 2018-00PR
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ORDERING
"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, on April 11, 2018, the Commission approved Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County; 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; and

WHEREAS, the Executive Officer has given notice of the protest hearing pursuant to Government Code Sections 56150-56160, 56660-56661, 57025, and 57026, wherein the protest hearing notice was published in a newspaper of general circulation in the County of Los Angeles on May 14, 2018, which is at least 21 days prior to the protest hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

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

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

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that this action is within the scope of the Environmental Impact Report certified by the City of Lancaster, as lead agency, on December 19, 2016, and considered by the Commission, as a responsible agency, on April 11, 2018.
2. The Commission finds that the number of property owners is 1, and the total assessed value of land within the affected territory is \$10,515,977.

3. The Commission finds that the number of written protests filed in opposition to Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County and not withdrawn is ___, which, even if valid, represents owners of land who own less than 50 percent of the assessed value of land within the affected territory.
4. 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.
5. 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"
6. 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.
7. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the County Sanitation District No. 14 of Los Angeles County.
8. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

Resolution No. 2018-00PR

Page 5

PASSED AND ADOPTED this 13th day of June 2018.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0







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

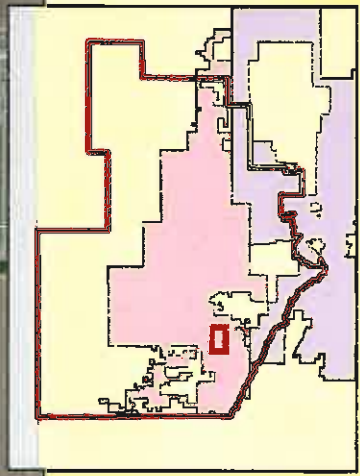
**Paul A. Novak, AICP
Executive Officer**



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



Staff Report

May 9, 2018

Agenda Item No. 9.a.

Sativa County Water District Update

This report is a follow-up to the discussion at the May 9th Commission Meeting concerning the Sativa County Water District (“District” or “Sativa”).

After consideration of the staff report and public testimony, the Commission directed staff to evaluate all potential governance options. Staff’s assessment of various governance options is discussed, herein, along with a series of potential recommendations.

Based upon extensive research, as well as communications with representatives of elected officials, public agencies, and potential service providers (both public agencies and private water companies), staff has come to the following conclusions:

1. Insufficient Customer Base to Finance System Improvements: The District currently has approximately 1,700 service connections. Based upon the most recent engineering study (Civiltec, 2014), the District needs to expend \$10 million in infrastructure improvements and deferred maintenance. The \$10 million figure would likely be substantially higher, given both inflation and the fact that the water quality concerns only surfaced recently. On the revenue side, the District’s reserves are approximately \$400,000, and its water rates are on the low side (\$65/month for a typical single-family dwelling) are generally lower in comparison to other local water retailers in the vicinity. This economic reality exists under any “stand-alone” scenario, such as leaving the Sativa County Water District in place (even if the membership of the board of directors changed through election or recall), or dissolving Sativa and creating a new “stand-alone” independent or dependent special district.

CONCLUSION: A “stand-alone” district of 1,700 ratepayers is insufficient to finance short-term and long-term system improvements which are urgently required for the District.

2. Limitations associated with consolidating Sativa with another public agency: In 2012, the Commission considered—and rejected—a recommendation from Hogle-Ireland (a consultant to LAFCO) to consolidate Sativa with the Central Basin Municipal Water District. The primary objection is that Central Basin is a water wholesaler (re-selling Metropolitan Water District’s imported water to various retail water service providers). More recently, the structure of Central Basin’s governing board was significantly changed as a result of state legislation. In staff’s opinion, dissolving Sativa and/or consolidating its operations with Central Basin Municipal Water District is not a feasible option.

LAFCO staff met with representatives of the City of Compton on May 10th, and have communicated with city representatives on several occasions as well. Compton's City Manager has expressed a willingness to consider—subject to completing a thorough evaluation, analysis, and identification of costs—providing service to approximately sixty (60) homes that are within Sativa's boundaries and also within the boundaries of the City of Compton (city staff's evaluation is on-going at this time). As represented to LAFCO, the City of Compton is unwilling to consider becoming the service provider for the entire District, as this would involve assuming more than \$10 million in infrastructure improvements and deferred maintenance. The City of Compton, therefore, is not a feasible option for all service connections within the District.

Staff explored the concept of forming a County Waterworks District, which would be operated by the Los Angeles County Department of Public Works Waterworks Division. While the County operates five waterworks districts in Los Angeles County, none are anywhere near Sativa; in this regard, there would be no system consolidation, and no economies of scale. While the formation of a county waterworks district may be achievable, it would retain the "stand-alone" challenge presented in Number 1, above (the District would still have only 1,700 ratepayers). For these reasons, formation of a County Waterworks District is not a feasible option.

Beyond these three public agencies, staff was unable to identify any other public agencies in the vicinity with the capacity to take over service responsibilities within Sativa.

CONCLUSION: At the present time, there is no feasible opportunity to dissolve and/or consolidate the District into another public agency.

3. **LAFCO designation of a "successor agency:"** Were the Commission to initiate and move forward with dissolving or consolidating Sativa, the Commission would be required to designate a "successor agency," a public agency which is responsible "for the purpose of winding up the affairs" of the dissolved district. Given the possibility of on-going claims and/or litigation involving the District, potential successor agency representatives may be concerned about accepting potential liability. While Government Code Section 56886 affords the Commission with broad authority to impose terms and conditions, the Commission does not have the authority to provide liability relief. State legislation could provide the necessary liability relief—assuming that a legislator would introduce such a bill, and it is approved by the Legislature and Governor—and there is precedent in at least one instance (Senate Bill 1130, involving the Eastern Municipal Water District and the Elsinore Valley Municipal Water District, in Riverside County, in 2014).

CONCLUSION: Any change in service providers may require the introduction—and approval—of State legislation providing liability relief to a future service providers.

4. Exploration of the appointment of a state administrator may be warranted. The State of California Water Resources Control Boards (“Water Boards”) has existing authority to appoint state administrators over public and private water systems, pursuant to Health and Safety Code Section 116686. At the present time, there is no identified funding source for the Water Boards to absorb the costs of a state-appointed administrator. State legislation could provide the necessary funding, assuming that a legislator would introduce such a bill, and it is approved by the Legislature and Governor. This potential is further complicated by the fact that a LAFCO-initiated dissolution and/or consolidation would take several months; in staff’s opinion, it would make sense for the state administrator to be brought in immediately, for the short-term (while LAFCO considers a dissolution and/or consolidation), which means that an “urgency” provision would be required (necessitating a two-thirds vote in both houses of the Legislature).

CONCLUSION: Any change in service providers may require the introduction—and approval—of State legislation providing authority and funding for the Water Boards to appoint, immediately, a state administrator for the District.

5. Consideration should be given to identifying a future service provider, likely a private water company (investor-owned utility). Since the recent concerns about water quality arose, three investor-owned utilities (Golden State Water Company, Liberty Utilities (California), and Suburban Water Systems) have indicated their interest in providing retail water service to Sativa’s customers. All three companies are local divisions of public companies; all of them own, operate, and manage water utilities in the Los Angeles area; and all of them have some rights to adjudicated water in the Central Basin. The service territories of both Golden State and Liberty abut Sativa’s jurisdictional boundary. All three would integrate Sativa’s existing customers into the management and operations of their existing operations; Golden State and Liberty would either extend their existing infrastructure to service Sativa’s customers, establish inter-connections with Sativa’s existing infrastructure, or institute some combination thereof over time (Suburban’s existing system is not adjacent to the District). Staff has spoken at length with all three service-providers, and staff is confident that each would bring substantial management, technical, and financial experience to bear.

There are some challenges—LAFCO has no statutory authority to designate a private water company as the successor agency—so this option would require coordination with the successor agency (as discussed in Number 3, above) in terms of identification, evaluation, and selection of the appropriate service provider. This option is similar to the concept of a “double escrow,” one in which LAFCO’s dissolution is effectuated, a new successor agency is designated by the Commission, and concurrently (or as shortly thereafter as possible) the new provider takes over retail water service within the boundaries of the former Sativa County Water District. Further, separate approval from the California Public Utilities Commission (CPUC) would be required. Since the District currently has assets (i.e., 474 acre-feet-per-year (AFY) in adjudicated water rights in the Central Basin, existing well, storage tank, and water distribution lines) as well as

liabilities, this option would necessitate the preparation of an independent, arms-length financial analysis of the net value of the District. Staff notes, further, that LAFCO is unfamiliar with what approvals may be required of other public agencies (the CPUC and, potentially, the Water Boards). Even with these constraints, this is the only option identified by staff which removes the obstacles presented by a “stand-alone” option (as described in Number 1, above). The private water companies could spread the costs for improving Sativa’s water system to a much larger customer base, which will lessen the impact to any potential water rate increases to Sativa residents. The three water companies have also indicated their awareness of, and sensitivity to, the Disadvantaged Unincorporated Community (“DUC”) status of Sativa's service area.

CONCLUSION: Further communication with private water companies (Liberty, Golden State, Suburban, and potentially others)” is warranted, as is outreach to representatives of the CPUC and the Water Boards, to further identify the regulatory approval process and ascertain the timing and coordination with LAFCO’s consideration of a dissolution and/or consolidation of the District.

In our communication with multiple stakeholders, staff notes that many of these stakeholders have, independently of LAFCO, come to many of the same conclusions identified above.

Commission-Initiated Dissolution and/or Consolidation:

Should the Commission initiate dissolution, the Commission would need to adopt a resolution of application for the dissolution of Sativa County Water District. The Commission’s intent to adopt a resolution of application would need to be noticed at least 21 days prior to the Commission’s scheduled action.

The dissolution process would require LAFCO to identify a successor agency, which is willing to assume the water service responsibility, permanently, or on an interim basis while services are transferred to a better qualified service provider, most likely an investor owned utility such as Liberty Utilities, Golden State, or Suburban.

Given the statutory requirements for the dissolution process, staff estimates it would take approximately 6 to 9 months to reach a consensus on a successor agency and hold a protest hearing, before the dissolution would be effective. There would be no harm in starting the process (staff time, attorney time, notice costs), as dissolution can be abandoned if other “solutions” emerge. There are several steps that would be required before Sativa could be dissolved, such as the identification of a successor/alternative service provider, preparation of a fiscal analysis identifying the district assets/liabilities, preparation of a plan of services, completion of a rate payer study and potential CPUC and/or Water Board approval.

Proposal Filed by Outside Parties to Dissolve or Consolidate the District:

Separate and apart from a Commission-initiated dissolution, the Act empowers third parties to petition to consolidate or dissolve a special district. The proposal, filed with LAFCO, can be filed by: one, any outside public agency whose territory overlaps, or would overlap, or whose Sphere of Influence (“SOI”) boundary overlaps, or would overlap, the involved district; two, 25% or more of the landowners within the affected territory (the District); or three, 25% or more of the registered voters within the affected territory (the District). The applicant would be required to submit the proposal/application to LAFCO, pay filing fees, and submit a plan of services identifying how the customers would be served were the District consolidated or dissolved. At this point in time, staff has not identified any third parties willing to file such a proposal/application with LAFCO.

Additional Matters:

On June 1, 2018, the Mark Ravis, the attorney representing a group of Sativa ratepayers, confirms that he has filed a substantial claim for damages with the District. Mr. Ravis further informs staff that he and his colleagues have served recall petitions on all five directors of the District, and that he is proceeding to secure the necessary signatures to qualify for a recall election.

Based upon several reports that the District has secured a \$1 million to \$1.2 million loan or bond—the amount is uncertain, as is whether it is a loan or a bond—staff spoke with the District’s general manager, who confirmed the loan/bond. She reported, further, that the loan premiums are approximately \$120,000 per year. Staff was unable to ascertain the source of this funding, nor the purpose for which it is intended.

The recommendation for a potential consolidation or dissolution of a public agency is a serious proposal, and it is one that staff does not take lightly. The recommendation, herein, under Item 4.d., that the Commission direct staff to prepare a resolution to dissolve the District, reflect staff’s sense that the District is experiencing a crisis, that the matter is urgent, and that the elected officials and staff charged with addressing these matters have not demonstrated the capacity to address the very serious issues facing the District.

Staff Recommendation:

Staff recommends that the Commission:

1. Open the item to provide an opportunity for public testimony;
2. Receive and file the Update; and
3. Provide direction to staff, as necessary and as determined by the Commission, to include any or all of the following actions:

- a. Continue discussions with other public agencies, with the goal of identifying a public agency willing to serve as the successor agency; and/or
- b. Continue discussions with City of Compton representatives, in order to determine whether whether Compton will proceed to submit an application to LAFCO to detach a portion of the District (that portion within city boundaries); and/or
- c. Continue discussions with state legislative representatives to determine if legislation can be introduced to: one, provide liability relief to a future successor agency and/or future service provider, and two, to provide authority and/or funding for the State Water Boards to install a state administrator in the District; and/or
- d. Prepare a resolution initiating dissolution of the Sativa County Water District, to be agendized for the July 11th Commission meeting, and to provide the 21-day advance public notice (newspaper, landowners, and/or registered voters) as required by the Act; and/or
- e. To proceed in any other or additional direction as so determined by the Commission.

Attachments:

- CIVILTEC Engineering Inc. Final Draft Sativa Los Angeles County Water District 2014 Water Master Plan (Executive Summary Page ES-3)
- State of California Water Control Board Compliance Order No. 04_22_18R_02

Final Draft

**Sativa Los Angeles County Water District
2013 Water Master Plan**

PREPARED FOR

SATIVA LOS ANGELES COUNTY WATER DISTRICT
2015 HATCHWAY STREET
COMPTON, CA 90222

MARCH 2014

PREPARED BY



CIVIL AND ENVIRONMENTAL ENGINEERING
PLANNING AND CONSTRUCTION MANAGEMENT
118 W. LIME AVENUE, MONROVIA, CA 91016
(626) 357-0588 FAX: (626) 303-7957

EXECUTIVE SUMMARY

SATIVA LOS ANGELES COUNTY WATER DISTRICT

Summary

Water Supply

Per the Central Basin Watermaster Report for FY 2011-12, Sativa has an Allowable Pumping Allocation of 474.00 acre-feet per year and leases additional water rights to meet demand.

Water Demand

Water demand under three demand conditions and two planning horizons were determined as shown in the table below.

Planning Horizon	Existing			Future		
Demand Condition	ADD	MDD	PHD	ADD	MDD	PHD
Peaking Factor	1.0	1.8	3.2	1.0	1.8	3.2
Gallons per minute	444	799	1,420	507	913	1,620

Average day demand (ADD) is a benchmark used for estimating peaks.

Maximum day demand (MDD – i.e. the highest demand over a 24-hour period) is a benchmark used for estimating worst case of emergency conditions.

Peak hour demand (PHD) is a benchmark estimating maximum normal conditions.

Existing conditions is a ten year average.

Future conditions is the highest historical demand year adjusted for expected growth.

Per the Fire Marshal, fire demand for Sativa shall be 1,250 gpm at 20 psi residual pressure for two hours. This requirement is consistent with typical single family residential fire flow per Los Angeles County Fire Department Regulation # 8.

Infrastructure

The Sativa Distribution System consists of a single pressure zone. Supply is provided by three active wells that each pump from the Central Basin into dedicated hydropneumatic facilities which maintain system pressure. Water is distributed via approximately 8.7 miles of interconnected pipelines.

A hydraulic model of the distribution system was constructed to assist with comparing existing capacity to system requirements.

Conclusions

The system was evaluated against design criteria established to describe (1) the minimum requirements imposed or capabilities recommended by the Fire Marshal and the California Department of Public Health, and (2) the preferences of customers regarding delivery pressure.

A series of capital improvement projects were developed to mitigate those deficiencies uncovered during the evaluation process. Of greatest concern was the system's capacity to deliver fire flow. Bringing the system up to current standards required improvements to storage, pumping and pipeline capacities.

Improvements are estimated to cost \$10 million, as shown below:

Project	Cost (\$1,000s)
Storage	\$5,175
Booster Station	\$313
Primary Loop Pipeline	\$1,725
Willowbrook East Pipeline	\$353
Willowbrook West Pipeline	\$184
Vesta Pipeline	\$243
Lucien West Pipeline	\$125
Lucien East Pipeline	\$36
Stockwell Pipeline	\$402
Aranbe Pipeline	\$108
Bliss Pipeline	\$413
Paulsen Pipeline	\$58
Well Pump Refurbishment	\$15
Well Pump Replacement	\$75
Meters	\$744
Telemetry	\$125
Total	\$10,095

Recommendations

It is recommended to seek grant funding and other financing as necessary to implement the capital improvement program.



GRANTUS G. BROWN, JR.
CHAIRMAN

MATTHEW ROMANOW
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board
Division of Drinking Water

June 1, 2018

System No. 1910147

Mr. Luis Landeros, Board President
Sativa Los Angeles County Water District
2015 East Hatchway Street
Compton, CA 90222

COMPLIANCE ORDER NO. 04_22_18R_002
DISTRIBUTION SYSTEM PHYSICAL WATER QUALITY AND CALIFORNIA WATERWORKS
STANDARDS VIOLATIONS

Enclosed is Compliance Order No. 04_22_18R_002 (hereinafter "Order") issued to the Sativa Los Angeles County Water District (hereinafter "Sativa") public water system. **Please note there are legally enforceable deadlines associated with this Order.**

Sativa will be billed at the State Water Resources Control Board's (hereinafter "State Water Board") hourly rate for the time spent on issuing this Order. California Health and Safety Code (hereinafter "CHSC"), Section 116577, provides that a public water system must reimburse the State Water Board for actual costs incurred by the State Water Board for specified enforcement actions, including but not limited to, preparing, issuing and monitoring compliance with an order. At this time, the State Water Board has spent approximately 27.8 hours on enforcement activities associated with this violation.

Sativa will receive a bill sent from the State Water Board in August of the next fiscal year. This bill will contain fees for any enforcement time spent on Sativa for the current fiscal year.

Any person who is aggrieved by a citation, order or decision issued under authority delegated to an officer or employee of the state board under Article 8 (commencing with CHSC, Section 116625) or Article 9 (commencing with CHSC, Section 116650), of the Safe Drinking Water Act (CHSC, Division 104, Part 12, Chapter 4), may file a petition with the State Water Board for reconsideration of the citation, order or decision. Appendix 1 to the enclosed Compliance Order contains the relevant statutory provisions for filing a petition for reconsideration (CHSC, Section 116701).

Petitions must be received by the State Water Board within 30 days of the issuance of the citation, order or decision by the officer or employee of the state board. The date of issuance is the date when the Division of Drinking Water mails a copy of the citation, order or decision. If the 30th day falls on a Saturday, Sunday, or state holiday, the petition is due the following business day by 5:00 p.m.

Information regarding filing petitions may be found at

http://www.waterboards.ca.gov/drinking_water/programs/petitions/index.shtml

FELICIA MARCUS, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

500 North Central Avenue Suite 500, Glendale CA 91203 | www.waterboards.ca.gov

If you have any questions regarding this matter, please contact Shu-Fang Orr, P.E., Angeles District Engineer, at (818) 551-2045 or me at (818) 551-2068.

Sincerely,



Jeff O'Keefe, P.E. Chief
Southern California Section
Division of Drinking Water

Enclosure

Certified Mail No. 7014 2870 0001 2130 1335

cc: Maria Rachelle Garza, General Manager
Sativa Los Angeles County Water District
2015 East Hatchway Street
Compton, CA 90222

Jacqueline E. Taylor, Director
Environmental Protection Branch
Los Angeles County Department of Public Health
Environmental Health

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF DRINKING WATER

Name of Public Water System: Sativa Los Angeles County Water District

Water System No: 1910147

Attention: Mr. Luis Landeros, Board President

2015 East Hatchway Street

Compton, CA 90222

Issued: June 1, 2018

COMPLIANCE ORDER FOR NONCOMPLIANCE
CALIFORNIA HEALTH AND SAFETY CODE, SECTION 116555(a)(3), AND
CALIFORNIA CODE OF REGULATIONS, TITLE 22,
SECTIONS 64449.5(d), 64554(a), 64575(c) and 64602(a)

April 2018

The California Health and Safety Code (hereinafter "CHSC"), Section 116655 authorizes the State Water Resources Control Board (hereinafter "State Water Board") to issue a compliance order to a public water system when the State Water Board determines that the public water system has violated or is violating the California Safe Drinking Water Act (hereinafter "California SDWA"), (CHSC, Division 104, Part 12, Chapter 4,

commencing with Section 116270), or any regulation, standard, permit, or order issued or adopted thereunder.

The State Water Board, acting by and through its Division of Drinking Water (hereinafter "Division") and the Deputy Director for the Division, hereby issues Compliance Order No. 04_22_18R_002 (hereinafter "Order") pursuant to Section 116655 of the CHSC to the Sativa Los Angeles County Water District (hereinafter "Sativa") for violation of CHSC, Section 116555(a)(3) and California Code of Regulations (hereinafter "CCR"), Title 22, Section 64449.5(d). *Distribution System Physical Water Quality*, Section 64554(a). *New and Existing Source Capacity*, Section 64575(c). *Flushing*, and Section 64602 (a). *Minimum Pressure*.

A copy of the applicable statutes and regulations are included in Appendix 1, which is attached hereto and incorporated by reference.

STATEMENT OF FACTS

Sativa is classified as a community public water system with a population of 6,837 persons served through 1,643 service connections. Sativa operates the water system under the revised Domestic Water Supply Permit No. 04-22-12P-009 issued by the State Water Board on August 30, 2012. Sativa utilizes two groundwater wells, Wells 3 and 5 as its source of domestic water. The current maximum pumping rates of Well 3 and Well 5 are around 363 gpm and 600 gpm, respectively. Each well is equipped with a gas chlorination system. Well 3 is equipped with two hydropneumatic tanks that typically operate alternately. However, only one hydropneumatic tank is in operation. The other hydropneumatic tank is due for rehabilitation and cleaning. Well 5 is equipped with one hydropneumatic tank. Sativa has one emergency connection with the City of Compton. The distribution system has only one pressure-zone, with no booster station and no

1 storage tank. The distribution system consists of approximately 8.7 miles of pipelines
2 composed of 6-inch and 4-inch pipes. The service connections are not metered.

3
4 CHSC, Section 116555(a)(3) requires all public water systems to provide a reliable and
5 adequate supply of pure, wholesome, healthful, and potable water. The California
6 Waterworks Standards require a public water system to have source capacity to meet
7 the system's maximum day demand (MDD) as determined pursuant to Section 64554
8 (a) at all times. Sativa's two active wells, Wells 3 and 5, have an instantaneous combined
9 yield of approximately 963 gallons per minute (gpm). The highest daily production/usage
10 recorded during the period from 2007 to 2016 was 1.5 million gallons per day (MGD) or
11 1,041.66 gpm in 2010. Sativa did not report the MDDs for 2007, 2008, and 2009. The
12 calculated MDD for 2008 utilizing the highest month usage and the minimum peaking
13 factor of 1.5 prescribed by CCR, Section 64554 (b), is 2.25 MGD, or 1,562.5 gpm, which
14 is even higher than the highest recorded MDD of 1.5 MGD. The 2008 data appears to
15 be an outlier. Therefore, the highest recorded MDD of 1.5 MGD was utilized for
16 compliance determination. The combined capacity of Wells 3 and 5 does not meet the
17 MDD.

18
19 The Division advised Sativa the violation of the source capacity requirement in a letter
20 dated May 30, 2017. In a letter dated October 6, 2017, Sativa indicated the intention to
21 obtain a bond fund to drill a new well. Subsequently, Sativa obtained \$1.4 million
22 revenue bond. However, during a meeting on December 15, 2017, Sativa informed the
23 Division that they had changed their plan based on the recommendations of their new
24 consulting firm, SAFNA Engineering and Consulting (SAFNA). They would now pursue
25 an interconnection with Liberty Utilities instead of a new well.

26
27 In January 2018, Sativa contracted SAFNA to manage the operation of the water system
28 facilities, with Jose Molina as the Chief Operator. SAFNA also assisted Sativa in the

effort to modify the scope of a planning grant for the manganese removal treatment at Well 5. The planning grant was issued to Sativa by the State Water Board's Division of Financial Assistance (DFA). In a memorandum to the DFA staff dated February 21, 2018, SAFNA proposed to install an interconnection with Liberty Utilities as a standby source. SAFNA was advised during a meeting with DDW and DFA representatives on April 19, 2018 that for DDW to count the interconnection as the source of supply for compliance determination, the interconnection must be an active source. Sativa must demonstrate the interconnection is a reliable source of supply by securing an agreement with Liberty Utilities to ensure the interconnection can be utilized anytime by Sativa.

Historical Water Production/Usage

Year	Produced from Groundwater (MG)	Maximum Month (MG)	MDD (MG)
2007	154.44	March (25.01)	NR/ 1.21*
2008	223.00	June (45.00)	NR/2.25*
2009	211.68	July (20.74)	NR/1.00*
2010	214.08	July (20.83)	1.50
2011	208.00	July (20.06)	1.30
2012	207.22	October (19.41)	0.53
2013	189.52	July (17.98)	0.94
2014	165.58	July (16.81)	N/A
2015	162.21	June (15.02)	0.71
2016	154.00	June (18.13)	0.98

Data Source: ARDWP, 2006-2016

NR – No Record

*- Calculated MDD utilizing the method specified in Section 64554(b)(2).

The California Waterworks Standards also require a water system with 1,000 or more service connections to meet four hours of peak hourly demand (PHD) with source capacity, storage capacity, and/or emergency source connections. Using the peaking factor of 1.5, times the average hourly consumption during the maximum demand day (0.06 MG per hour), the estimated PHD for Sativa is 0.09 MG. The amount of water needed to meet four hours of PHD is 0.36 MG. Wells 3 and 5 can produce up to 0.23 MG in four hours, which is not enough to meet the four hours of PHD. According to Sativa, the emergency interconnection with the City of Compton can provide an

1 additional 0.22 MG in four hours. However, during a meeting with Sativa on April 25,
2 2018, the representatives from Sativa reported there were issues on the City of Compton
3 side and the emergency interconnection with the City of Compton is not reliable.
4

5 CCR, Title 22, Section 64449.5(d). *Distribution System Physical Water Quality*, states
6 "The distribution system water of public water systems shall be free from significant
7 amounts of particulate matter". On April 13, 2018, the Division received a referral from
8 the Los Angeles County Public Health (LACPH) regarding the muddy water complaint to
9 the office of the Los Angeles Board of Supervisor Mark Ridley-Thomas. According to
10 the complaint forwarded by LACPH, Sativa customers have been receiving muddy water
11 from Sativa throughout the service area for an extended period of time. The Division
12 contacted Sativa on the same day and learned that they had been conducting system-
13 wide flushing. Upon the Division's request, Sativa sent via email on April 16, 2018 of the
14 customer complaint records (Appendix 2), records of the most recent round of flushing
15 (Appendix 3), and flushing notification examples (Appendix 4) to the Division.
16

17 On April 17, 2018, the Division received a referral from the Office of the Governor
18 regarding dirty water served by Sativa. According to the complaint, the community
19 served by Sativa has been receiving rusty water for years. The water rate has increased.
20 However, the residents did not see any improvement.
21

22 On April 19, 2018, the Division met with Sativa's management and representatives from
23 SAFNA to review the operation records. Records of customer complaints, flushing
24 activities and associated customer notifications were reviewed and discussed during the
25 meeting.
26

27 The records showed that Sativa conducted system-wide flushing on on April 5, 6, 7, 12
28 and 13, 2018. Section 64602 of the Waterworks Standards require each distribution

1 system be operated in a manner to assure that the minimum operating pressure in the
2 water main at the user service line connection throughout the distribution system is not
3 less than 20 psi at all times. The flushing records showed that on April 5, 2018, one fire
4 hydrant located in the southwestern side of the service area had zero residual pressure
5 during flushing. In addition, on April 12, 2018, four fire hydrants located in the
6 northeastern side of the service area had water pressures less than 20 psi during
7 flushing. Sativa recorded chlorine residual test results on the flushing record forms for
8 April 12 and 13, 2018. Chlorine residuals at the flushing locations were acceptable (0.59
9 mg/L to 1.25 mg/L).

10
11 Section 64575 of the California Waterworks Standards require flushing velocity in the
12 main not to be less than 2.5 ft/s unless it is determined that conditions do not permit the
13 required flow to be discharged to waste. Sativa's distribution system is composed of
14 four-inch and six-inch water pipes. To achieve the 2.5 ft/s flushing velocity, the flushing
15 flows must be equal or greater than 100 gpm and 225 gpm for the four-inch diameter
16 and six-inch diameter water main pipes, respectively. Sativa did not record the flushing
17 flows for the following fire hydrants: 740 139th Street and 748 138th Street located in the
18 southwestern part of the service area, 2034 Bliss Street and 13100 Oleander located in
19 the northwestern part of the service area, East Willowbrook/Wayside, Northwest
20 Penrose/Lucien, Deadend Penrose, 13023 Mona and 13013 Mona located in the
21 northeastern part of the service area, and 13115 Mona Blowoff and 2308 Piru Street
22 Blowoff located in the southeastern part of the service area. Because the chief operator,
23 who initiated the flushing activities, was on vacation on April 19, 2018, Sativa could not
24 explain the low-pressure readings and the missing flow records.

25
26 On April 19, 2018, the Division also inspected Sativa's facilities and conducted field
27 chlorine residual testing at four bacteriological sample stations (Total Coliform Rule
28 compliance sampling sites) and three residential sites selected by Sativa. The water

1 appeared to be clear at all seven sites and free chlorine residual were within the normal
2 range.

3
4 On April 23, 2018, the Division conducted another field visit to collect samples from the
5 homes known to have water quality problem and suggested by the customer who had
6 contacted the Division, and from areas where many complaints coming from (based on
7 the customer complaint records provided to the Division on April 16, 2018). Samples
8 were collected from eight homes for bacteriological, color, iron, manganese, and turbidity
9 analyses. The Division also conducted free chlorine residual field testing at these sites.
10 At the first three homes, brown water came out of the hose bibb outside the building, but
11 cleared up around 5 to 10 seconds later. These homes are located at the southwestern
12 side of the service area. The water appeared to be clear at the other homes. Although
13 free chlorine residuals were adequate at all eight homes, there were three homes with
14 chlorine residual lower than normal. These homes are located in the south, southwest
15 and east parts of the service area.

16
17 On April 24, 2018, the Division contacted Sativa and advised Sativa to begin monitoring
18 the four distribution-system bacteriological sample sites for the general physical
19 parameters (color, odor and turbidity) on a weekly basis. The Division advised Sativa to
20 stop the on-going system-wide flushing activities until further notice. The Division also
21 requested to meet with the chief operator to discuss about issues discovered while
22 reviewing the flushing records.

23
24 On April 25, 2018, the Division received from the Drinking Water and Radiation
25 Laboratory Branch, Richmond, of the California Department of Public Health (CDPH
26 Richmond Lab) the results of the bacteriological analyses for the eight samples collected
27 on April 23, 2018 (Appendix 5). All samples were tested negative for total coliforms.
28

1 On April 26, 2018, the Division met with Sativa management, the chief operator and
2 another SAFNA representative. The chief operator was asked of the issues of low
3 pressures and missing flow records during flushing. The chief operator indicated he had
4 no time to complete the fire flow calculation for some of the fire hydrants before
5 submitting the flushing records to the Division. In addition, the flow meter they used
6 could not register flowrate lower than 380 gpm. He would like to go back to these
7 hydrants and repeat the flushing to obtain the flow and pressure records. The chief
8 operator could not explain the directions of the flow in the system during normal operation
9 condition, the logic of the flushing/valve opening or closing sequences, and the reason
10 for selecting the flowmeter used during flushing operation. The chief operator did not
11 show any consideration had been given during the planning stage to ensure the minimum
12 system pressure of 20 psi and flushing velocity of 2.5 ft/s can be maintained. The chief
13 operator was reminded that Sativa should not conduct system-wide flushing activities
14 until advised by the Division. Flushing should only be done in response to customer
15 complaints. It was apparent that Sativa did not plan and execute the flushing activities
16 properly. The minimum pressure of 20 psi was not maintained throughout the distribution
17 system. In addition, Sativa could not demonstrate the minimum flushing velocity of 2.5
18 ft/s was achieved during flushing.

19
20 On April 27, 2018, the Division received from the CDPH Richmond Lab the color, iron,
21 manganese and turbidity test results of samples collected from eight homes on April 23,
22 2018 (Appendix 6). Color, iron, manganese and turbidity were detected at all the homes.
23 Two samples had color levels exceeding the secondary maximum contaminant level
24 (SMCL) of 15 Units and two more samples had color levels equal to the SMCL. In
25 addition, four samples had manganese concentrations exceeding the SMCL of 50 parts
26 per billion (ppb). The results are summarized in the table below.

**Results of General Physical Samples Collected
from Residential Homes on April 23, 2018**

Sample Site	Address	Iron, ppb	Manganese, ppb	Turbidity, NTU	Color, Unit
1	2069 East Hatchway Street	15	28.8	0.46	15
2	732 138 th Street	14.6	28.2	0.373	5
3	741 139 th Street	34.1	81.5	1.21	20
4	2152 Oris Street	13.8	33.4	0.474	5
5	13402 Largo Street	13.1	27.1	0.383	10
6	2136 East Piru Street	18.4	53.5	0.615	15
7	2042 Nord Street	19.4	50.6	0.855	10
8	13128 South Vesta Avenue	100	185	2.21	17.5

Note: Iron, Manganese, Turbidity and Color SMCLs are 300 ppb, 50 ppb, 5 NTU and 15 Units, respectively.

The Division also reviewed the monthly distribution system general physical monitoring reports submitted by Sativa. As a community water system with greater than 1,000 service connections and without an adequate flushing program, Sativa is required to collect one general physical parameter sample per week. Review of the past monitoring records ([Appendix 7](#)) revealed that Sativa had encountered water discoloration and high turbidity issues in the past. In June 2015, a sample collected from 2315 Bliss Street had color level of 30 units, exceeding the SMCL. In March 2017, a sample collected from 730 139th Street in March had 50 units of color and 17 NTU of turbidity, exceeding both SMCLs for color and turbidity. The SMCL for turbidity is 5 NTU. In addition, in November 2017, a sample collected from 2315 Bliss Street, had color level of 50 units, exceeding the SMCL. Turbidity level in the same sample was 4.7 NTU, approaching the SMCL.

Based on the customer complaints records provided by Sativa on April 16, 2018, Sativa received a total of 52 brown water complaints from March 13, 2017 through April 11, 2018. There were five complaints received during the flushing period. Sativa responded to the complaints by advising the customers to run water inside their homes until water is cleared up. According to Sativa, as follow up to the complaints, samples were collected from the home, outside hose bib, and the nearest bacteriological sample station and tested for chlorine residuals. However, the results were not recorded.

1
2 On May 2, 2018, the Division received from Sativa records of customer complaints from
3 April 11, 2018 through May 2, 2018 (Appendix 8). Sativa continued to receive brown
4 water complaints from residents residing at different parts of the service area. A total of
5 10 complaints was recorded during this period.

6
7 On May 3, 2018, the Division sent letters to eight customers who had participated in the
8 sampling event of April 23, 2018 to provide them with a copy of the laboratory report,
9 along with a follow-up questionnaire/survey sheet.

10
11 On May 21, 2018, the Division received a call from one of the homeowners who
12 participated in the April 23, 2018 sampling event. The homeowner reported that they
13 continued to receive brown water.

14
15 On May 23, 2018, upon repeated request by the Division, Sativa provided via email of a
16 summary of customer complaints received from May 2 through 23, 2018 and the
17 laboratory results for the weekly general physical water quality analyses. The Division
18 discovered there were discrepancies between the summary Sativa provided to LACPH
19 earlier and to the Division in terms of which customers had received bottle water. Upon
20 inquiry, Sativa indicated copy and paste errors and provided a revised version to the
21 Division on May 23, 2018 (Appendix 9).

22
23 During the period of May 2 through 23, 2018, there were 34 brown water complaints.
24 According to Sativa, samples were from the home, outside hose bibb, and the nearest
25 bacteriological sample station. These samples were checked visually for particulate
26 matters. However, Sativa did not provide the findings of these visual observations.
27 Sativa reported that the customers had also been advised to run the water inside their
28 homes until water is cleared.

The table below summarizes the weekly general physical water quality test results for samples collected in May 2018. Although none of the sample sites had color or turbidity at the levels exceeding the SMCL, the color and turbidity levels were still elevated.

General Physical Water Quality Results

Date Samples were Collected	Number of Samples	Color Range, Unit	Odor Range, Unit	Turbidity Range, NTU
May 1, 2018	4	7.5 - 10	1	0.4 - 0.7
May 8, 2018	4	5.0 - 7.5	1 - 2	0.4 - 1.2
May 15, 2018	4	7.5 - 10	1	0.4 - 0.8

DETERMINATION

CHSC, Section 116555(a)(3) requires all public water systems to provide a reliable and adequate supply of pure, wholesome, healthful, and potable water.

CCR, Title 22, Section 64554 (a) requires that at all times, a public water system's water source(s) shall have the capacity to meet the system's maximum day demand (MDD). For systems with 1,000 or more service connections, the system shall be able to meet four hours of peak hourly demand (PHD) with source capacity, storage capacity, and/or emergency source connections.

CCR, Title 22, Section 64449.5(d) states that the distribution system water of public water systems shall be free from significant amounts of particulate matter.

CCR, Title 22, Section 64575 (c) states that the flushing velocity in the main shall not be less than 2.5 ft/s unless it is determined that conditions do not permit the required flow to be discharged to waste.

CCR, Title 22, Section 64602(a) states that each distribution system shall be operated in a manner to assure that the minimum operating pressure in the distribution water main at the user service line connection throughout the distributions system is not less than 20 psi at all times.

Based on the above Statement of Facts, the State Water Board has determined that Sativa has failed to provide its customers with a reliable and adequate supply of pure, wholesome, healthful, and potable water pursuant to CHSC, Section 116555(a)(3) and CCR, Title 22, Section 64449.5(d), and failed to comply with the source capacity, minimum flushing velocity, and minimum pressure requirements of the California Waterworks Standards pursuant to CCR, Title 22, Sections 64554(a), 64575(c) and 64602(a).

DIRECTIVES

To ensure that the water supplied by Sativa is at all times safe, wholesome, healthful, and potable, Sativa is hereby directed to take the following actions:

1. On or before July 1, 2020 comply with CHSC, Section 116555(a)(3) and CCR, Title 22, Sections 64449.5(d), 64554(a), 64575(c) and 64602(a).
2. Weekly sampling of general physical water quality parameters at four bacteriological sampling stations in the distribution system shall continue until the State Water Board, upon the request by Sativa, reviews the monitoring data and determines that the monitoring frequency may be reduced. Sativa shall obtain a written approval from the State Water Board prior to proceeding with the reduced monitoring. Sativa shall ensure that the laboratory conducting the analysis uses the approved method and submits the analytical results electronically to the State

Water Board no later than the 10th day following the month in which the analysis was completed.

3. Prepare for State Water Board's approval of a Corrective Action Plan, identifying improvements to the water system designed to correct the source capacity deficiencies, the general physical water quality issues in the distribution system, and the Infrastructure deficiencies hampering effective maintenance of the system, such as flushing activities. The plan shall include a time schedule for completion of each of the phases of the project such as design, construction, and startup, and a date as of which Sativa will be in compliance with the California Waterworks Standards.
4. On or before **August 15, 2018**, submit and present the Corrective Action Plan required under Directive No. 3 above, to the State Water Board's office located at 500 North Central Avenue, Suite 500, Glendale, CA 91203.
5. Perform the State Water Board approved Corrective Action Plan, and each and every element of said plan, according to the time schedule set forth therein.
6. On or before **September 30, 2018**, prepare and submit for State Water Board's approval of a Standard Operating Procedures (SOP) for the flushing activities and a training plan for the personnel involved in carrying out the flushing activities.
7. On or before **October 10, 2018**, and every three months thereafter, submit a report to the State Water Board in the form provided as Appendix 10 summarizing actions taken during the quarter (calendar three months) to comply with the Corrective Action Plan and the approved flushing activity training plan prepared under Directive 6.

1 8. Notify the State Water Board in writing no later than five days prior to the deadline
2 for performance of any Directive set forth herein if Sativa anticipates it will not
3 timely meet such performance deadline.
4

5 9. By June 15, 2018, complete and return to the State Water Board the "Notification
6 of Receipt" form attached to this Order as Appendix 11. Completion of this form
7 confirms that Sativa has received this Order and understands that it contains
8 legally enforceable directives with due dates.
9

10 All submittals required by this Order shall be electronically submitted to the State Water
11 Board at the following address. The subject line for all electronic submittals
12 corresponding to this Order shall include the following information: Water System name
13 and number, compliance order number and title of the document being submitted.
14

15 Shu-Fang Orr, P.E. District Engineer
16 State Water Resources Control Board
17 Division of Drinking Water, Angeles District
18 500 North Central Avenue, Suite 500
19 Glendale, CA 91203

20 DDWRegion4@waterboards.ca.gov
21

22 The State Water Board reserves the right to make modifications to this Order as it may
23 deem necessary to protect public health and safety. Such modifications may be issued
24 as amendments to this Order and shall be effective upon issuance.
25

26 Nothing in this Order relieves Sativa of its obligation to meet the requirements of the
27 California SDWA (CHSC, Division 104, Part 12, Chapter 4, commencing with Section
28 116270), or any regulation, standard, permit or order issued or adopted thereunder.
29
30

PARTIES BOUND

This Order shall apply to and be binding upon Sativa, its owners, shareholders, officers, directors, agents, employees, contractors, successors, and assignees.

SEVERABILITY

The directives of this Order are severable, and Sativa shall comply with each and every provision thereof notwithstanding the effectiveness of any provision.

FURTHER ENFORCEMENT ACTION

The California SDWA authorizes the State Water Board to: issue a citation or order with assessment of administrative penalties to a public water system for violation or continued violation of the requirements of the California SDWA or any regulation, permit, standard, citation, or order issued or adopted thereunder including, but not limited to, failure to correct a violation identified in a citation or compliance order. The California SDWA also authorizes the State Water Board to take action to suspend or revoke a permit that has been issued to a public water system if the public water system has violated applicable law or regulations or has failed to comply with an order of the State Water Board, and to petition the superior court to take various enforcement measures against a public water system that has failed to comply with an order of the State Water Board. The State Water Board does not waive any further enforcement action by issuance of this Order.



Jeff O'Keefe, P.E. Chief
Southern California Section
State Water Resources Control Board
Division of Drinking Water



Date

Staff Report

June 13, 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, a sixth item is expected to be included in an amendment. The remaining item—an involved item relating to the appointment of LAFCO commissioners—was not included, but it is expected to be incorporated into next year’s (2019) Omnibus Bill. **AB 3254 was approved unanimously by the Assembly on May 21st. It was introduced in the Senate on May 30th and is pending before the Senate Governance and Finance Committee.**

Commission Position: SUPPORT (April 11th Meeting)

- **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. **AB 2258 was approved (57-18) by the Assembly on May 21st. It was introduced in the Senate on May 31st and is awaiting committee assignment by the Senate Committee on Rules.**

Commission Position: SUPPORT (April 11th Meeting)

- **AB 2491 (Cooley):** Sponsored by the League of California Cities (“League”), 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. **AB 2491 died in the Appropriations Committee.**

Commission Position: SUPPORT (May 9th Meeting)

- **AB 2268 (Reyes):** Sponsored by the 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. **AB 2268 died in the Appropriations Committee.**

Commission Position: SUPPORT (May 9th Meeting)

- **AB 2050 (Caballero):** This bill is sponsored by Eastern Municipal Water District and the California Municipal Utilities Association. 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. **AB 2050 was approved by the Assembly (56-19) on May 30th. It was introduced in the Assembly on May 29th.**
- **SB 1215 (Hertzberg):** This bill would give the 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. **SB 1215 was approved (30-18) by the Senate on May 29th, and it was introduced in the Assembly on May 29th.**
- **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 was approved (71-2) by the Assembly on May 29th; it was introduced in the Senate on May 30th and is awaiting committee assignment by the Senate Committee on Rules. AB 2339 was approved (59-13) by the Assembly on May 31st, at which time it was referred to the Senate.**
- **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 Community Services Districts (“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. **SB 561 was approved unanimously by the Senate on January 30th, and it is pending before Assembly Local Government Committee.**

- **Proposed Legislation Sponsored by the California Special Districts Association (“CSDA”)**
Concerning Definitions: CSDA has formed a 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). It is uncertain whether the proposal will make its way into a bill this legislative year.

Staff Recommendation:

1. Receive and file the Legislative Report.