

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, July 11, 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 June 13, 2018.
- b. Approve Operating Account Check Register for the month of June 2018.
- c. Receive and file update on pending proposals.

7. PUBLIC HEARING(S)

None.

8. PROTEST HEARING(S)

None.

9. OTHER ITEMS

- a. Proposed Commission-Initiated Resolution of Application for Dissolution of the Sativa County Water District (Dissolution No. 2018-09 of the Sativa County Water District) and California Environmental Quality Act (“CEQA”) findings

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

August 8, 2018

September 12, 2018

October 10, 2018

November 14, 2018

16. FUTURE AGENDA ITEMS

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission.

17. ADJOURNMENT



Local Agency Formation Commission
for the County of Los Angeles

6.a.

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

June 13, 2018

Present:

Jerry Gladbach, Chair

Kathryn Barger
Donald Dear
Mitch Englander
Margaret Finlay
Janice Hahn
Gerard McCallum
John Mirisch

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

Adriana Romo, Deputy Executive Officer
Carole Suzuki, Legal Counsel

Absent:

Richard Close

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

1 CALL MEETING TO ORDER

The meeting was called to order at 9:00 a.m. in Room 381-B of the County Hall of Administration by Chair Jerry Gladbach.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Jerry Gladbach.

WELCOMING NEW COMMISSIONER MITCH ENGLANDER

Chair Gladbach welcomed new Commissioner Englander as a voting member of the Commission representing the City of Los Angeles.

Chair Gladbach indicated that he had a brief telephone conversation with Paul Rowley (who is a member of the audience representing Golden State Water Company) before today's Commission meeting. Chair Gladbach mentioned that he worked with Mr. Rowley at the former Castaic Lake Water Agency.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

Adriana Romo, Deputy Executive Officer (DEO), announced that Paul Novak (Executive Officer) will not be at today's meeting. Mr. Novak is tending to his mother who is gravely ill. Ms. Romo indicated that she will represent staff at today's meeting.

The DEO 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. Paul Rowley indicated that he was not sure if a monetary contribution was given to Supervisor Hahn, or if a campaign contribution was made by a political action committee to which he belongs. Mr. Rowley indicated he was at today's meeting for Agenda Item 9.a.

The DEO 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 DEO swore in seven (7) members of the audience who planned to testify.

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

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of May 9, 2018.
- b. Approved Operating Account Check Register for the month of May 2018.
- c. Received and filed update on pending proposals.

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

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

7 PUBLIC HEARING(S)

None.

8 PROTEST HEARING(S)

The following item was called for consideration:

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

The DEO 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. 426 to the County Sanitation District No. 14 of Los Angeles County; Resolution No. 2018-03PR.

MOTION: McCallum SECOND: Finlay APPROVED: 9-0-0
 AYES: Barger, Brogin-Falley (Alt. for Close), Dear, Englander, Finlay, Hahn,
 McCallum, Mirisch, Gladbach
 NOES: None.

ABSTAIN: None.
ABSENT: Close

9 OTHER ITEMS

The following item was called up for consideration:

a. Sativa County Water District Update.

The DEO noted that each of the Commissioners were provided copies of documents that were submitted by the Sativa County Water District (Sativa or District), which included a copy of a Memorandum of Understanding between the Sativa County Water District and the Water Replenishment District of Southern California, a Sativa customer satisfaction survey, and other documents, and that all these documents were available to the public for inspection at the meeting.

The DEO noted new developments regarding Sativa have occurred since last month's meeting, which are documented in this month's Agenda package: on June 1, 2018, the State Water Resources Control Board (State Water Board) issued a compliance order to Sativa citing numerous violations; a letter dated June 6, 2018 from Supervisor Mark Ridley-Thomas to Eileen Sobeck (Executive Director, State Water Resources Control Board) asking the State Water Board to appoint an administrator to oversee Sativa; and on June 7, 2018, a press release issued from Assemblymember Mike Gipson introducing Assembly Bill 1577 (AB 1577) to direct the State Water Board to appoint a State administrator to oversee the District.

The DEO summarized the staff report on the Sativa County Water District Update.

The Commission opened the item to provide an opportunity for public testimony.

Eduardo Olivo (General Counsel, Sativa County Water District) came before the Commission. Mr. Olivo indicated that he became legal counsel for the District in November of 2017. Mr. Olivo stated that he and the board members of the Sativa County Water District oppose the dissolution of Sativa. Mr. Olivo indicated that Sativa's Board will provide a Corrective Action Plan to the State Water Board, on or before, the August 15, 2018 deadline. Mr. Olivo noted that the District has established an emergency water interconnection with Liberty Utilities. Mr. Olivo indicated that the monetary claim and recalls filed against the District are unmerited.

Maria Garza (General Manager, Sativa County Water District) came before the Commission. Ms. Garza indicated that each of Commissioners was provided a Sativa County Water District status report and a customer satisfaction survey (which Ms. Garza summarized).

Lucia Castrellon (Board Member, Sativa County Water District) came before the Commission. Ms. Castrellon indicated that she is a customer of Sativa and has no complaints regarding water quality.

Roxsana Zepeda (Board Member, Sativa County Water District) came before the Commission. Ms. Zepeda indicated that she is also a customer of Sativa. Ms. Zepeda indicated that State funding will greatly benefit the district, not dissolution.

Chair Gladbach requested that Ms. Garza report back to the Commission with a grant and revenue bond summary.

Ms. Garza indicated that she will report back to the Commission regarding standard water storage requirements and funding sources for the District's Capital Improvement Project (CIP).

The Commissioners stated that the Sativa County Water District customer satisfaction survey is insufficient.

The DEO swore in one (1) additional member 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 the customer satisfaction survey conducted by the District is inadequate and inaccurate.

Commissioner Hahn asked if the residents represented by Mr. Ravis are in favor of the dissolution. Mr. Ravis said "yes".

Commissioner Mirisch asked if the residents are willing to pay more money to receive reliable water. Mr. Ravis said "yes". Mr. Ravis indicated that the Sativa ratepayers should be eligible to receive a subsidy from the State of California.

[Commissioner Dear left at 10:00 a.m.]

Paul Rowley (Vice President, Golden State Water Company) came before the Commission. Mr. Rowley stated that Golden State Water Company (Golden State), an investor-owned utility, has existing water systems located north of the boundaries of Sativa, within the unincorporated area of Willowbrook. Mr. Rowley indicated that Golden State has the water resources and distribution capacity to meet the needs of the Sativa residents. Golden State has 38 separate water systems with over 258,000 service connections located throughout the State of California. Mr. Rowley indicated that if Golden State was to acquire the Sativa County Water District, it will require a California Public Utilities Commission (CPUC) process.

[Commissioner Englander left at 10:12 a.m.]

Commissioner Hahn asked if Golden State can absorb 1,700 service connections. Mr. Rowley said "yes".

[Commissioner Brogin-Falley left at 10:16 a.m.]

Craig Gott (Vice President, Field Operations, Suburban Water Systems) came before the Commission. Mr. Gott stated that Suburban Water Systems (Suburban), an investor-owned utility, has 75,000 service connections, and serves approximately 300,000 people in Los Angeles County. Mr. Gott stated that Suburban has expertise in operations, financial, and management in local water resources. Suburban customers pay \$67 per month which is comparable to Sativa's rate of \$65 per month.

[Commissioner Barger left at 10:25 a.m.]

The DEO sworn in one (1) additional member of the audience who planned to testify.

Chris Alario (Vice President of Finance and Administration, West Region Operations, Liberty Utilities) came before the Commission. Mr. Alario stated that Liberty Utilities (Liberty), an investor-owned utility, operates in twelve (12) states with 750,000 customers. Liberty provides water, wastewater and electric utilities. Mr. Alario stated that Liberty has the expertise to acquire small water systems. Liberty operates the Park Water Systems in south Los Angeles County.

Commissioner Hahn asked how long it would take to acquire Sativa through the CPUC process. Mr. Alario indicated 6-12 months.

Commissioners Hahn and Mirisch indicated that the Commission should continue to explore another public water purveyor as a future successor agency to the Sativa area.

Jeff O'Keefe (Regional Field Manager, State Water Resources Control Board) came before the Commission. Mr. O'Keefe indicated that the State Water Board conducted the water testing within Sativa. Sativa meets primary drinking water standards but did not meet secondary standards due to manganese, iron, turbidity, and color. The Water Control Board encourages consolidation of small water districts into a larger water purveyor. There are financial incentives (up to \$5 million) to help pay for the acquisition of a smaller water purveyor.

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

Angela George-Moody (Deputy Director, Los Angeles County Department of Public Works) came before the Commission. The Los Angeles County Department of Public Works (Public Works) maintains five waterworks districts located in Los Angeles County. Ms. Moody indicated that there are no county waterworks districts located adjacent to Sativa. Ms. Moody stated that she is continuing communication with the surrounding water purveyors adjacent to Sativa and LAFCO staff to find a solution for the residents of the Sativa County Water District.

Commissioners Finlay and McCallum indicated that they are inclined to support dissolving the Sativa County Water District.

[Commissioners Finlay and McCallum left at 11:05 a.m.]

Commissioner Smith asked why “and/or” language appears within the staff recommendation. Carole Suzuki (Legal Counsel) indicated that this allows LAFCO staff to continue to review options for potential water service providers.

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

The Commission took the following actions:

- Continue discussions with other public agencies, with the goal of identifying a public agency willing to serve as the successor agency; and/or
- Continue discussions with City of Compton representatives, in order to determine whether Compton will proceed to submit an application to LAFCO to detach a portion of the District (that portion within city boundaries); and/or
- 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
- 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 Cortese Knox-Hertzberg Local Government Reorganization Act of 2000.

MOTION: Mirisch SECOND: Hahn APPROVED: 5-0-0
 AYES: Hahn, Mirisch, Smith (Alt. for McCallum), Ruzicka (Alt. for Dear), Gladbach
 NOES: None.
 ABSTAIN: None.
 ABSENT: Close, Barger, Dear, Finlay, Englander, McCallum

As amended, the Commission took the following additional action:

- Directed the Executive Officer to draft language in the resolution initiating dissolution of the Sativa County Water District to address the possibility of Sativa ratepayers receiving a subsidy.

MOTION: Hahn SECOND: Smith APPROVED: 5-0-0
 AYES: Hahn, Mirisch, Smith (Alt. for McCallum), Ruzicka (Alt. for Dear), Gladbach
 NOES: None.
 ABSTAIN: None.
 ABSENT: Close, Barger, Dear, Finlay, Englander, McCallum

10 LEGISLATION

The following item was called up for consideration:

- a. Legislative Update (Amended).

The DEO summarized the staff report on the Legislative Update (Amended).

The Commission took the following actions:

- Received and filed the Legislative Report (Amended); and
- Took a “support” position on AB 1577 (Gipson) and directed staff to communicate the position, in letters to members of the State Legislature and the Governor, and in testimony before the Legislature as determined necessary by the Executive Officer.

MOTION: Hahn SECOND: Ruzicka (Alt. for Dear) APPROVED: 5-0-0

AYES: Hahn, Mirisch, Smith (Alt. for McCallum), Ruzicka (Alt. for Dear), Gladbach

NOES: None.

ABSTAIN: None.

ABSENT: Close, Barger, Dear, Finlay, Englander, McCallum

11 MISCELLANEOUS CORRESPONDENCE RECEIVED

None.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

The DEO noted that a flyer for the CALAFCO 2018 Annual Conference in Yosemite at the Tenaya Lodge (October 3-5) was included in the Agenda package.

14 PUBLIC COMMENT

None.

15 FUTURE MEETINGS

July 11, 2018

August 8, 2018

September 12, 2018

October 10, 2018

16 FUTURE AGENDA ITEMS

None.

17 ADJOURNMENT MOTION

On motion of Commissioner Hahn, seconded by Chair Gladbach, the meeting was adjourned at 11:13 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

6.b.

LAFCO 03

Register Report

June 2018

1:15 PM

06/28/18

Accrual Basis

Type	Date	Num	Name	Amount	Balance
10000 Cash Unrestricted					
10005 · Operating Account-WF					
Check	06/06/20	ACH	TRPF 80 South Lake ...	-8,341.77	-8,341.77
Bill Pmt -C...	06/11/20	10...	Certified Records Man...	-609.27	-8,951.04
Bill Pmt -C...	06/11/20	10...	Charter Communicati...	-524.22	-9,475.26
Bill Pmt -C...	06/11/20	10...	Huntington Park Rubb...	-26.38	-9,501.64
Bill Pmt -C...	06/11/20	10...	LACERA-OPEB	-1,946.33	-11,447.97
Bill Pmt -C...	06/11/20	10...	MetLife*	-528.00	-11,975.97
Bill Pmt -C...	06/11/20	10...	Office Depot*	-55.30	-12,031.27
Bill Pmt -C...	06/11/20	10...	Promac Image Systems	-219.46	-12,250.73
Bill Pmt -C...	06/11/20	10...	Wells Fargo	-383.25	-12,633.98
Check	06/11/20	10...	Wells Fargo	0.00	-12,633.98
Check	06/15/20	DD	Ambar De La Torre	-1,870.18	-14,504.16
Check	06/15/20	DM	Douglass Dorado	-2,804.54	-17,308.70
Check	06/15/20	DD	Michael Henderson	-2,207.44	-19,516.14
Check	06/15/20	DD	Patricia Knoebl-Wood	-1,346.89	-20,863.03
Check	06/15/20	DD	Paul Novak	-5,030.10	-25,893.13
Check	06/15/20	DD	Alisha O'Brien	-2,181.78	-28,074.91
Check	06/15/20	DD	Adriana Romo	-3,090.03	-31,164.94
Check	06/15/20	DM	Federal Tax Deposit	-4,058.64	-35,223.58
Check	06/15/20	DM	State Income Tax	-1,217.87	-36,441.45
Check	06/22/20	ADP	ADP	-128.95	-36,570.40
Bill Pmt -C...	06/28/20	10...	ATT	-333.89	-36,904.29
Bill Pmt -C...	06/28/20	10...	Bank of America*	-805.52	-37,709.81
Bill Pmt -C...	06/28/20	10...	CoreLogic	-28.80	-37,738.61
Bill Pmt -C...	06/28/20	10...	County of Los Angele...	-296.98	-38,035.59
Bill Pmt -C...	06/28/20	10...	FedEx	-172.87	-38,208.46
Bill Pmt -C...	06/28/20	10...	LACERA	-12,968.47	-51,176.93
Bill Pmt -C...	06/28/20	10...	Lillian Salinger	-246.84	-51,423.77
Bill Pmt -C...	06/28/20	10...	Los Angeles County A...	-1,500.00	-52,923.77
Bill Pmt -C...	06/28/20	10...	Neofunds	-22.72	-52,946.49
Bill Pmt -C...	06/28/20	10...	Office Depot*	-287.11	-53,233.60
Bill Pmt -C...	06/28/20	10...	Platinum Consulting	-1,355.00	-54,588.60
Bill Pmt -C...	06/28/20	10...	Promac Image Systems	-82.13	-54,670.73
Bill Pmt -C...	06/28/20	10...	Tropical Interior Plants	-100.00	-54,770.73
Check	06/28/20	DM	Federal Tax Deposit	-192.36	-54,963.09
Check	06/28/20	DD	Janice Hahn	-135.36	-55,098.45
Check	06/29/20	DM	Federal Tax Deposit	-4,058.63	-59,157.08
Check	06/29/20	DD	Ambar De La Torre	-1,870.19	-61,027.27
Check	06/29/20	DM	Douglass Dorado	-2,804.53	-63,831.80
Check	06/29/20	DD	Michael Henderson	-2,207.44	-66,039.24
Check	06/29/20	DD	Patricia Knoebl-Wood	-1,346.89	-67,386.13
Check	06/29/20	DD	Paul Novak	-5,579.76	-72,965.89
Check	06/29/20	DD	Alisha O'Brien	-2,181.79	-75,147.68
Check	06/29/20	DD	Adriana Romo	-3,090.03	-78,237.71
Check	06/29/20	2	Kathryn Barger	-134.09	-78,371.80
Check	06/29/20	3	Lori W. Brogin	-138.53	-78,510.33
Check	06/29/20	DD	Donald L. Dear	-138.52	-78,648.85
Check	06/29/20	32...	Margaret E. Finlay	-138.52	-78,787.37
Check	06/29/20	32...	Edward G. Gladbach	-138.53	-78,925.90
Check	06/29/20	DD	Gerard McCallum II	-138.52	-79,064.42
Check	06/29/20	32...	Greig L. Smith	-138.53	-79,202.95
Check	06/29/20	32...	John A Mirisch	-138.52	-79,341.47
Check	06/29/20	DD	Mitchell Englander	-138.52	-79,479.99
Check	06/29/20	DM	Federal Tax Deposit	-22.95	-79,502.94
Check	06/29/20	32...	John A Mirisch	-138.53	-79,641.47
Check	06/29/20	ADP	ADP	-39.37	-79,680.84
Total 10005 · Operating Account-WF				-79,680.84	-79,680.84
Total 10000 Cash Unrestricted				-79,680.84	-79,680.84
TOTAL				-79,680.84	-79,680.84

AGENDA ITEM NO. 6c - July 11, 2018							
PENDING PROPOSALS AS OF July 2, 2018							
		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	5/16/2006	Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40	New Anaverde, LLC	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete filing: CEQA, registered voter labels, landowner labels, and approved map and legal.	10/5/2006	Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	12/1/2006	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Need BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17.	9/22/2008	Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010	Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC .	10/25/2010	Unknown
7	DD	Reorganization 2011-16 (Tesoro del Valle)	Montalvo Properties LLC	Annexation to NCWD and CLWA SOI Amendments for both districts. 801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.	Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution. Project has changed ownership. Need new application	5/5/2011	Unknown
8	DD	City of Los Angeles Annexation 2011-27	Forestar Group	685 acres of uninhabited territory located east of Browns Canyon Road and northwest of Mason Ave, in the unincorporated area just north of the City of Los Angeles.	Notice of Filing sent 2-15-12 Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, map of limiting addresses, list of limiting addresses, and approved map and legal.	12/8/2011	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
9	DD	City of Palmdale Annexation 2011-19	City of Palmdale	405 acres of uninhabited territory located between Palmdale Blvd and Ave S and 80th and 85th Street East.	Notice of Filing sent 3-22-12 Incomplete filing: property tax transfer resolution, inadequate CEQA, maps of limiting addresses, list of limiting addresses, and approved map and legal. DUC adjacent	3/8/2012	Unknown
10	DD	Annexation 2014-04 to the City of Calabasas	City of Calabasas	annex approximately 43.31± acres of uninhabited territory to the City of Calabasas. The affected territory is generally located along Agoura Road between Liberty Canyon Road and Malibu Hills Road, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills and Calabasas.	Notice of Filing sent 3-20-14 Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, radius map, landowner and registered voter labels, landowner consent letter, approved map and legal	3/18/2014	Unknown
11	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15, Incomplete filing: property tax transfer resolution and 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	DD	Reorganization No. 2017-10 to the Las Virgenes Municipal Water District	Robert Douglass	5.26 acres of uninhabited territory. The affected territory is generally located northeast of the intersection of Hovenweep Lane and Schueren Road, in the unincorporated area north of Malibu	Notice of Filing Sent 11-30-17 Incomplete Filing: property tax transfer resolution, approved map and legal	11/8/2017	Unknown
20	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
21	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
22	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
23	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
24	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
25	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

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
26	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
27	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
28	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
29	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
30	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 intimate, CEQA, party disclosure, landowner consent.	3/27/2018	Unknown
31	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
32	DD	Annexation No. 2018-04 to the City of Santa Clarita	City of Santa Clarita	3,118± acres of inhabited territory. The affected territory is generally located south of Basques Canyon Road between Sand Canyon Road and Golden Valley Road in Los Angeles County unincorporated territory adjacent to the City of Santa Clarita.	Notice of Filing sent 6-27-18 Incomplete filing: property tax transfer resolution, approved map and legal, limiting addresses map, party disclosure, and list of limiting addresses, and NOD	6/18/2018	Dec-2018

Staff Report

July 11, 2018

Agenda Item No. 9.a.

Proposed Commission-Initiated Resolution of Application for Dissolution of the Sativa County Water District (Dissolution No. 2018-09 of the Sativa County Water District)

Introduction

This report is a follow-up to the discussions and direction from the Commission from the May 9th and June 13th Commission meetings concerning the Sativa County Water District (“Sativa” or “District”).

At the June 13th Meeting, and amongst other actions, the Commission directed staff to “prepare a resolution initiating dissolution of the Sativa County Water District, to be agendized for the July 11th Commission meeting.” The Commission also requested that the resolution address the possibility of Sativa ratepayers receiving a subsidy.

As directed by the Commission, this item recommends the adoption of the attached Resolution of Application for a Commission-Initiated Dissolution of the Sativa Water District.

Summary of Conclusions in the June 13, 2018 Staff Report

In the June 13th Staff Report, item 9.a., the Sativa County Water District Update, staff provided the following five conclusions relating to Sativa.

1. Sativa has an insufficient customer base to finance system improvements: 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. There are limitations associated with consolidating Sativa with another public agency: at the present time, there is no feasible opportunity to dissolve and/or consolidate the District into another public agency.
3. There are potential liability concerns related to LAFCO designation of a “successor agency:” 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: any change in service providers may require the introduction—and approval—of State legislation providing authority and funding for the State of California Water Resources Control Boards (“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): further communication with private water companies (Liberty, Golden State, Suburban, and potentially others)” is warranted, as is outreach to representatives of the California Public Utilities Commission (“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.

Commission-Initiated Dissolution and/or Consolidation:

Staff notes that the action recommended today is the initiation of the dissolution of the District—that is, it is the start of a process, estimated to take approximately 6 to 9 months before returning to the Commission—and not, in any way, the conclusion of the process. There is substantial work to be done (identifying a successor agency, determination of a future service provider, and other issues) that will require significant effort and time. Further, the initiation of the dissolution process in no way presumes the outcome of that process; while that is true for all dissolutions, the dynamic nature of the Sativa situation makes it even more relevant. Finally, should the Commission be asked to vote to approve a dissolution, such action would occur at a future Commission meeting, for which there would be substantial advance public notice sent to landowners, registered voters, and interested stakeholders, and a public hearing.

There are two important constraints associated with LAFCO authority relative to the proposed dissolution:

- LAFCO can only designate a “successor agency” (the entity tasked with “winding up the affairs of the dissolved district”) that is a public agency, pursuant to Government Code Section 57451; and
- Commission approval of a dissolution is subject to written protest, and LAFCO’s decision can, therefore, be overturned (if 50% or more of the registered voters residing in the District file written protest, pursuant to Government Code Section 57078(b)) or subject to a confirmation election by the registered voters (if 10% or more of the landowners or 10% of the registered voters file written protest, pursuant to Government Code Section 57113(a)).

Recent Developments:

On Monday, June 18th, at a community meeting hosted by Congresswoman Nannette Barragan, allegations were raised that someone had solicited individuals to attend the meeting to oppose the dissolution of Sativa. Allegations were later reported in media outlets that a Sativa employee may have commissioned an advertisement on Craigslist recruiting individuals to attend the community meeting to speak in opposition to the proposed dissolution.

Sativa's Board of Directors met in closed session on Thursday, June 21st and placed the General Manager on administrative leave, pending the outcome of an investigation by the District's legal counsel into the media allegations. As of the drafting of this staff report, and given the small size of the District's staff, consisting of administrative office clerks and field personnel, it is unclear who is authorized to represent the District in its relations with LAFCO and other public agencies. This creates an additional challenge going forward with the proposed dissolution.

On Wednesday, June 20th, the State Senate Environmental Quality Committee unanimously approved Assembly Mike's Gipson's bill, AB 1577, which calls upon the State Water Resources Control Board to appoint a state administrator to oversee Sativa.

Staff and legal counsel continue to work with counterparts at the Water Boards, the CPUC, and the County of Los Angeles to identify jurisdictional responsibilities, formulate timelines, and ensure that all relevant public agencies are working collaboratively to achieve the best outcome for Sativa's ratepayers.

Analysis

The challenges facing the District are well-known to the Commission, having been documented in Municipal Service Reviews in 2005 and 2012, as well as in periodic reviews/updates considered by the Commission and staff.

Some of the reasons for the recommendation to initiate the dissolution of the Sativa County Water District include, but are not limited to: the extensive deficiencies in Sativa's management, financial practices, and operations, which has resulted in a failing water system which delivers discolored, murky water that is high in manganese, in violation of secondary water quality standards; the significant deficiencies in Sativa's infrastructure, including decades of deferred maintenance, which require more than \$10 million in improvements, which the small customer base of approximately 1,700 ratepayers is unable to finance; the District's failure to provide adequate documentation of an existing \$1.2 million bond; the failure to maintain accurate meeting records and make information publicly available on Sativa's website; the fact that the elected officials and staff charged with addressing these matters have shown themselves unwilling or unable to address the very serious issues facing the District; and all of which is documented by LAFCO in Municipal Service Reviews adopted in 2006 and in 2014; the State Water Resources Control Board Compliance Order issued on June 1, 2018; the Civiltec engineering study of March 2014; the County of Los Angeles Public Health Memorandum of May 3, 2018; as well as several financial audits prepared for Fiscal Years 2005 through 2012.

While LAFCO, and other public agencies, have documented the District's deficiencies for quite some time, the water quality issue arose only recently. These water quality issues triggered heightened concern from the involved public agencies, including the Commission.

Legal Requirements

Pursuant to Government Code Section 56375(a)(3), the Commission may initiate the dissolution of a district if it is consistent with a recommendation or conclusion of a study pursuant to Government Code Sections 56378, 56425, or 56430, and the Commission makes the determinations specified in Government Code Section 56881(b). The attached Commission-Initiated Resolution of Application for Dissolution of the Sativa Water District contains the required findings and is made pursuant to Government Code Section 56375(a)(2)(B).

Conclusion:

Given the degree of uncertainty about various issues, combined with the ever- changing circumstances surrounding Sativa, staff notes that there is no obvious, clear, and definable “path” to completing the dissolution, at the current time. As the Executive Officer stated, however, in testimony before the State Senate Environmental Quality Committee on June 20th, “it is without question that the Sativa County Water District is in crisis, and that time is of the essence.” Again, approval of the Resolution of Application by LAFCO for Commission-Initiated Proceedings to Dissolve the Sativa County Water District does not presume a conclusion or dissolve the District—it merely starts the process. Staff believes it is important to start the process now as opposed to waiting for the situation to worsen. Based upon these conclusions, staff is recommending the Commission initiate the dissolution of the Sativa County Water District.

Staff Recommendation:

Staff recommends that the Commission:

1. Open the item to provide an opportunity for public testimony;
2. Find that the proposed actions are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 because it can be seen with certainty that there is no possibility that the proposed actions will have a significant effect on the environment; and that the proposed actions are not a project for purposes of CEQA because they are an organizational activity of government with no direct nor indirect effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.
3. Adopt the Resolution of Application for Commission-initiated proceedings to Dissolve the Sativa County Water District, attached; and
4. Provide additional direction to staff as determined by the Commission.

Attachments:

- Map (Exhibit “A”)
- Resolution of Application by the Local Agency Formation Commission for the County of Los Angeles for Commission-initiated proceedings to dissolve the Sativa County Water District
- “Introduction to Los Angeles Co. LAFCo Re Sativa Los Angeles County Water District,” provided by California American Water, and received by LAFCO on July 2, 2018.

RESOLUTION NO. 2018-00RMD

**A RESOLUTION OF APPLICATION BY
THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES FOR
COMMISSION-INITIATED PROCEEDINGS TO DISSOLVE THE
SATIVA COUNTY WATER DISTRICT (DISSOLUTION NO. 2018-09)**

BE IT RESOLVED by the Local Agency Formation Commission for the County of Los Angeles (the "Commission"), that;

WHEREAS, the Commission desires to initiate proceedings by a resolution of application pursuant to Government Code Section 56375(a)(2)(B), for a change of organization to dissolve the Sativa County Water District ("Sativa" or "District"); and

WHEREAS, the territory within the boundaries of the Sativa County Water District consists of approximately 180 acres with approximately 1,700 water service connections located within a residential area in the unincorporated community of Willowbrook and three small non-contiguous areas within the City of Compton, as depicted in the map attached as Exhibit "A"; and

WHEREAS, the Sativa County Water District was incorporated by the State of California Secretary of State on December 30, 1938, under the County Water District Law; and

WHEREAS, the Sativa County Water District is a legally-established county water district pursuant to Division 12 of the State of California Water Code; and

WHEREAS, the Commission, is required, pursuant to Government Code Section 56000 *et seq* (the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), to determine and update, as necessary, the Sphere of Influence (SOI) of each local agency; and

WHEREAS, the Commission adopted a Coterminous Sphere of Influence, wherein the boundaries of the District and its SOI are the same, for the Sativa County Water District, on October 24, 1984; and

WHEREAS, the November 2005 Sativa County Water District Municipal Service Review was prepared pursuant to Government Code Sections 56425 and 56430; and

WHEREAS, Dudek and Associates, a consultant to LAFCO, prepared the Final Municipal Service Review (MSR) for Water Services for the Gateway Region in November of 2005, which examined several water districts, including the Sativa County Water District (Round 1 MSR); and

WHEREAS, the Final MSR for Water Services for the Gateway Region in November of 2005 recommended that the Commission adopt a Zero Sphere of Influence for the Sativa County Water District, but based upon public testimony, the Commission approved the November 2005 MSR for the Sativa County Water District and confirmed the District's Coterminous SOI on February 22, 2006; and

WHEREAS, the August 2012 Sativa County Water District Municipal Service Review was prepared pursuant to Government Code Sections 56425 and 56430; and

WHEREAS, Hogle-Ireland, a consultant to LAFCO, prepared a Draft Sativa County Water District Municipal Service Review in August of 2012 (Round 2 MSR); and

WHEREAS, the August 2012 Sativa County Municipal Water District MSR recommended that the Commission adopt a Zero SOI and consolidate or dissolve the Sativa County Water District; and

WHEREAS, on May 14, 2014, the Commission adopted the Round 2 MSR and SOI Update for the Sativa County Water District with a Zero Sphere of Influence for the Sativa County Water District; and

WHEREAS, in accordance with Government Code Section 56375(a)(2)(B), LAFCO may initiate proposals by resolution of application for the dissolution of a district; and

WHEREAS, in accordance with Government Code Section 56375(a)(3), LAFCO may initiate the dissolution of a district if it is consistent with a recommendation or conclusion of a study pursuant to Government Code Sections 56378, 56425, or 56430, and LAFCO makes the determinations specified in Government Code Section 56881(b); and

WHEREAS, the Round 2 MSR and SOI Update for the Sativa County Water District, prepared pursuant to Government Code Sections 56425 and 56430, recommended that the Commission dissolve the District; and

WHEREAS, in accordance with Government Code Section 56375(a)(3), the Commission hereby makes the determinations specified in Government Code Section 56881(b) that the public services costs are likely to be less than or substantially similar to the cost of alternative means of providing the service and that this action will promote public access and accountability for community service needs and financial resources, as determined in Paragraphs 5 and 6 herein; and

WHEREAS, the Commission has initiated studies and requested information from other government agencies, including inventorying those agencies and determining their maximum service area and service capacities, consistent with Government Code Section 56378; and

WHEREAS, Government Code Section 56035 defines dissolution as “the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the Commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district;” and

WHEREAS, on July 11, 2018, after being duly and properly noticed, the Commission considered this Resolution of Application for Commission-initiated Proceeding to Dissolve the Sativa County Water District, at which time this Commission heard and received all oral and written testimony, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this matter, and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby initiates proceedings to dissolve the Sativa County Water District, as authorized pursuant to Government Code Section 56375(a)(2)(B);
2. The Commission initiates this dissolution, which is consistent with and based upon prior studies and information requested from other government agencies, pursuant to Government Code Section 56378;
3. The Commission initiates this dissolution, which is consistent with and based upon prior actions of the Commission pursuant to the Commission’s adoption of a Zero SOI for the District on May 14, 2014, pursuant to Government Code Section 56425.
4. The Commission initiates this dissolution, which is consistent with and based upon prior actions of the Commission relative to the August 2012 Sativa County Water District

(Round 2) Municipal Service Review, which includes a recommendation to consolidate or dissolve the district, pursuant to Government Code Section 56425 and 56430;

5. Pursuant to Government Code Section 56881(b)(1), the Commission hereby determines that the public service costs of a proposal that the Commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service, in that the Commission will identify a successor agency and/or future service provider that will have extensive and documented financial, technical, and management capabilities relative to providing retail water service consistent with all federal, state, and local water quality standards, and that said successor agency and/or future service provider would bring significant resources to bear in order to address Sativa's infrastructure deficiencies, operational shortcomings, and accounting inconsistencies;
6. Pursuant to Government Code Section 56881(b)(2), the Commission hereby determines that the proposed dissolution will promote public access and accountability for community service needs and financial resources, in that the Commission will identify a successor agency and/or future service provider with a documented history of being accessible to the public, and conducting its affairs in a reliable, fiscally responsible and transparent manner;
7. The Commission hereby initiates the dissolution of the Sativa County Water District based on Staff Reports from 2005 to present, the Municipal Service Reviews and Spheres of Influence adopted in 2006 and in 2014; the State Water Resources Control Board Compliance Order issued on June 1, 2018; the Civiltec engineering study of March

2014; the County of Los Angeles Public Health Memorandum of May 3, 2018; as well as several financial audits prepared for Fiscal Years 2005 through 2012;

8. The Commission hereby directs staff to explore options relative to providing subsidies to Sativa ratepayers, and that the issue be fully examined during the dissolution process and presented to the Commission in any future determinations relative to the proposed dissolution.
9. As set forth in State CEQA Guidelines Section 15061, the Commission finds that the proposed actions are exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the proposed actions will have a significant effect on the environment.
10. The Commission finds that the proposed actions are not a project for purposes of CEQA because they are an organizational activity of government with no direct nor indirect effects on the physical environment, pursuant to Section 15378(b) of the State CEQA Guidelines.

PASSED AND ADOPTED this 11th Day of July 2018, by the Commission, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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

PAUL NOVAK, Executive Officer

A young woman with long brown hair is shown in profile, leaning over a public sink and washing her hands. She is wearing a light-colored sleeveless top. The background is slightly blurred, showing a public restroom setting with a mirror and a red fire extinguisher. The lighting is warm and soft.

Introduction to Los Angeles Co. LAFCo

Re. Sativa Los Angeles County Water District



CALIFORNIA
AMERICAN WATER

100-PLUS YEARS AND FLOWING

Founded in 1886, American Water has served customers and communities for more than 130 years. And as the country's largest publicly-traded water and wastewater utility company, we cover a lot of ground. Our size and scale greatly differentiate us from our competitors in terms of the types of solutions we are able to offer our communities. Here are a few of the numbers that we're proud to share.



1 BILLION

Gallons of water treated and delivered every day

6,900

Employees serving communities nationwide

25

Years receiving awards for quality



SUSAN STORY

President and Chief Executive Officer

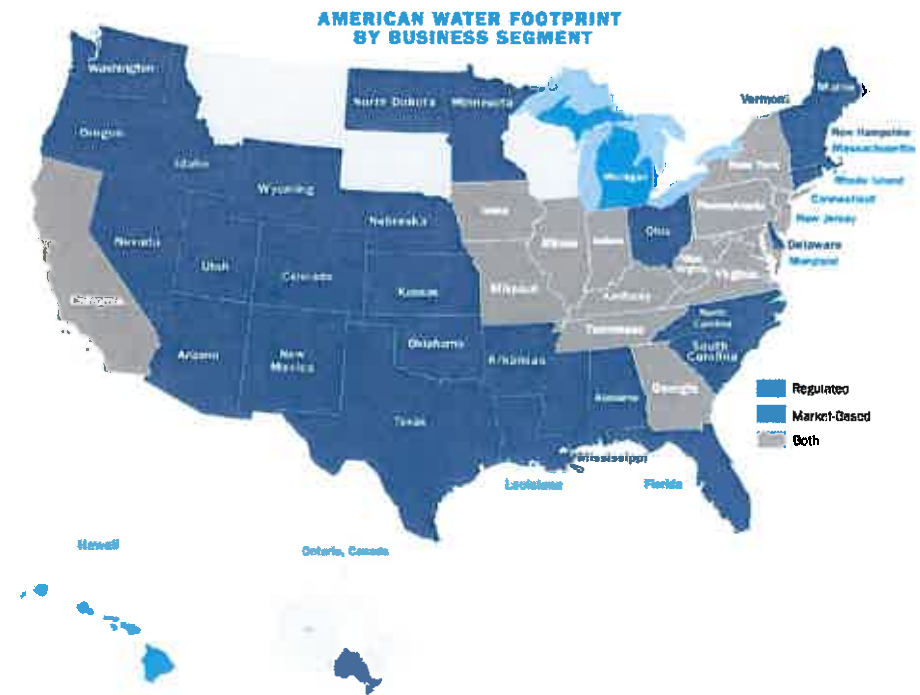
“Quote from Susan”

- ★ Story has served as President and CEO of American Water since May 2014. She served as the company's Chief Financial Officer for one year prior.
- ★ Her collective 35 years of experience include executive leadership roles at Southern Company (NYSE: SO), Gulf Power Company, Inc. and more.
- ★ She began her utility career as a nuclear power plant engineer.
- ★ She currently serves on the board of the Bipartisan Policy Center (BPC) in Washington, DC and co-chaired BPC's "Bridging the Gap Together: A New Model to Modernize U.S. Infrastructure" report released in May 2016.
- ★ Story also serves; as the independent lead director for Raymond James Financial, Inc., on the board of directors of Dominion Resources, Inc., and on the board of the Moffitt Cancer Center and Research Institute Board of Advisors.

WHO WE ARE

We are the largest and most geographically diverse publicly traded water and wastewater service provider in the United States.

- ★ We serve a broad national footprint and a strong local presence.
- ★ We provide services to approximately 15 million people in **46 states** and Ontario, Canada.
- ★ We employ **6,900** dedicated and active employees and support ongoing community support and corporate responsibility.
- ★ We treat and deliver more than **one billion** gallons of water daily.



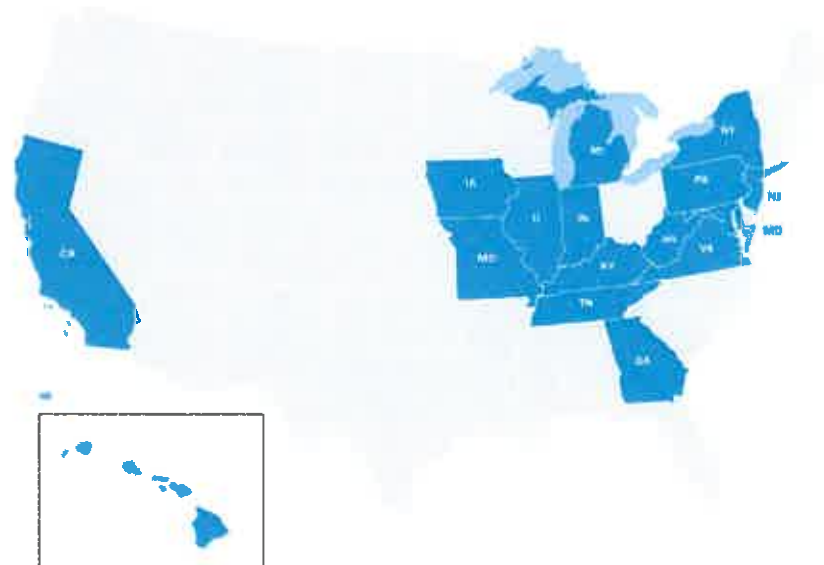
OUR REGULATED BUSINESS

We manage more than 370 individual water systems across the country.

Every day, we operate and manage:

- ★ More than **50,000** miles of distribution and collection mains
- ★ **72** surface water treatment plants
- ★ **527** groundwater treatment plants
- ★ Over **1,100** groundwater wells
- ★ **127** wastewater treatment facilities

American Water's Regulated Presence



California: Our State at a Glance



- 48 Communities (parts of Los Angeles, Merced, Monterey, Placer, Sacramento, San Diego, Sonoma and Ventura Counties)
- 176,000 customer connections (Water = 173,500 and Waste Water = 2,500)
- Approximately 610,000 “population served”
- Approximately 295 employees (225 Operations employees)
- Six Operating Districts within 3 Regions – Southern (3), Northern (2) and Central (1)



Our Los Angeles District



- We serve the communities of Bradbury, Duarte, Rosemead, San Marino and Temple City as well as Baldwin Hills, Ladera Heights and View Park
- Approximately 29,832 customer connections through nearly 340 miles of pipeline
- Source of supply is from both groundwater from the Main and Central San Gabriel Basins and purchased water from the Metropolitan Water District ("MWD")
- Locally staffed with thirty-nine (39) full time employees including engineering, water quality, conservation, safety, customer service, and water utility operations professionals



Acquisitions - Highlights and Successes

Completed Acquisitions

- Monterey County Wastewater Systems (2,300 customers)
- Toro Water System (400 customers)
- Garrapata Water Company (50 customers)
- Dunnigan Water Works (486 customers)
- Adams Ranch Mutual Water Company (173 customers)
- Geyserville Water Works (318 customers)
- Meadowbrook Water Company (1,700 customers)
- Ox Bow Marina MWC (96 customers)

In Contract/Winning Bids/Accepted Proposals

- Rio Plaza Water Company (520 cust.)
- Fruitridge Vista Water Company (4,800 cust.)
- Bellflower Municipal Water System (1,827 customers)
- Hillview Water Company (1,500 customers)



Why California American Water?

- Our local Presence - California American provides public utility water service to neighboring communities in the Los Angeles Central Basin
- We have a proven track record of gaining CPUC approval and closing acquisitions
- Prop 218 – We are regulated by CPUC and not subject to Prop 218
 - Timely capital improvements
 - Reduced risk of deferred maintenance
 - Water quality
- We are experienced in consolidating smaller and disadvantaged community systems with our much larger customer group
 - Economies of scale
 - Capital projects
 - Grant funded projects
- We provide centralized customer service and billing
- We offer convenient in-person bill payment through several local merchants
- We have capable and ongoing community outreach, including water conservation programs
- Our 24-hour on-call dispatch and history of prompt coordination with emergency responders
- Acquisition terms can address District's debts and unfunded pension liabilities

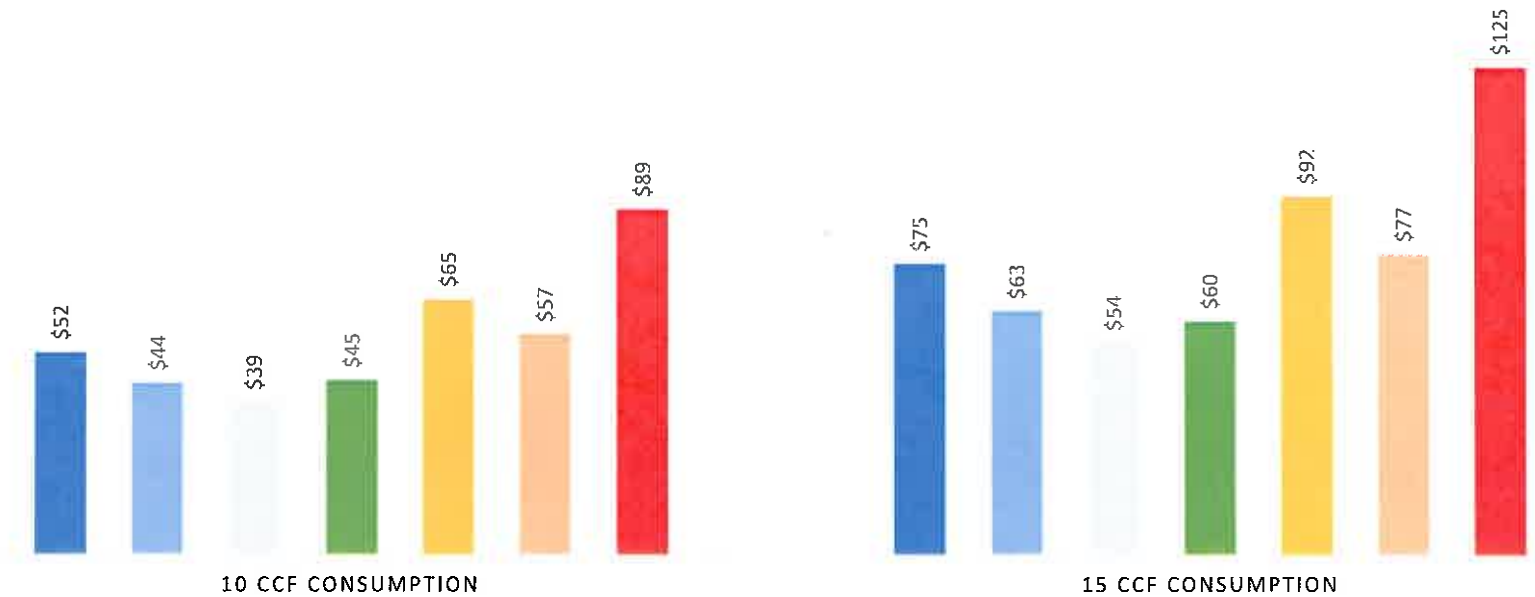


How Do Our Rates Compare?



RATE COMPARISONS CENTRAL BASIN CLASS A WATER COMPANIES

■ CAW Baldwin Hills ■ CAW Duarte ■ CAW San Marino ■ Suburban Whittier ■ GSWC Willowbrook ■ CWSC Dominguez ■ Liberty Norwalk



Disclaimer: Rates are estimated based on tariff sheets currently posted on the above-listed utilities' official websites. Actual customer bills may vary.



THANK YOU

Staff Report

July 11, 2018

Agenda Item No. 10.a. Legislative Update

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

- **AB 3254 Omnibus Bill (Assembly Local Government Committee):** CALAFCO submitted seven (7) proposals for the annual Omnibus Bill—which makes technical corrections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”)—to staff of the Assembly Local Government Committee (“ALGC”) on January 23, 2018. Five of CALAFCO’s proposed items made it into the bill, 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 Senate on June 26th. The bill was sent to the Governor on June 29th (LAFCO has sent a letter to Governor Brown urging him to sign the bill).**

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 districts listed as inactive by the State Controller, 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, in response to an August 2017 report issued by the Little Hoover Commission concerning special districts and the role and responsibilities of LAFCO. **CALAFCO agreed to several amendments requested by the California Special Districts Association (“CSDA”), at which time CSDA changed its position from “oppose unless amended” to “support.” AB 2258 was approved by the Senate Governance & Finance Committee (5-1) on June 20th, and it was approved by the Senate Natural Resources and Water Committee on June 28th (7-2); the bill has been referred to the Appropriations Committee.**

Commission Position: SUPPORT (April 11th 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. In its original form, there were concerns that AB 2050 would undermine LAFCO authority by empowering the SWRCB to perform tasks currently

assigned to LAFCO. At the request of CALAFCO, the bill was amended to insure that LAFCOs will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCO will have ability to approve with modifications the application, and the new agency will have to report to the LAFCO annually for the first 3 years. AB 2050 was approved by the Assembly (56-19) on May 30th. **AB 2050 was approved by the Senate Environmental Quality Committee (6-1) on June 20th, and it was approved unanimously by the Senate Governance & Finance Committee on June 28th; the bill has been referred to the Appropriations Committee.**

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. SB 1215 was **approved unanimously by the Assembly Environmental Safety and Toxic Materials Committee on June 27th and by the Assembly Local Government Committee (7-1) on June 28th; the bill has been referred to the Appropriations Committee.**

- **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 approved unanimously by the Senate Energy, Utilities, and Communications Committee on June 19th, and it was approved by unanimously the Senate Governance & Finance Committee on June 28th. AB 2339 was approved (59-13) by the Assembly on May 31st. AB 2339 was approved unanimously by the Senate Governance & Finance Committee on June 27th.**
- **AB 1577 (Gipson):** AB 1577, as amended on June 6th, would require the SWRCB to order the Santa Clara County Water District to accept full management control by an administrator appointed by the SCWRCB. Assemblyman Gipson is also considering amendments which may address related issues (procedural requirements, timing) associated with the appointment of a state administrator for Santa Clara. The assemblyman's legislative and district staff are in regular communications with the Executive Officer. CALAFCO is supporting the bill. **AB 1577 was approved unanimously by the Senate Environmental Quality Committee on June 20th and has been referred to the Committee on Appropriations.**

Commission Position: SUPPORT (June 13th Meeting)

Staff Recommendation:

1. Receive and file the Legislative Report.