

Voting Members

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Kathryn Barger
John Lee
Robert Lewis
John Mirisch
Holly Mitchell
Francine Oschin

Alternate Members

Anthony Bell
Michael Davitt
Mel Matthews
Hilda Solis
Vacant
(City of Los Angeles)
Vacant
(Public Member)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Taylor Morris
Alisha O'Brien

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, March 8th, 2023
9:00 a.m.

Room 381-B
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 Kenneth Hahn Hall of Administration (KHHA):

- 225 N. Hill Street (first floor of KHHA)
- Civic Mall/ Grand Park, between KHHA and the Civil Court Building (second floor of the KHHA)

Entrance through any other exterior door of the KHHA 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.

This meeting is also available for members of the public to attend virtually by phone or web access as follows:

FOR MEMBERS OF THE PUBLIC

TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:

1-213-306-3065

Access Code: 2595 745 8073 (English)

Password: 782542

OR

TO LISTEN VIA WEB AND PROVIDE COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=m314a505b14145742c207e7ef1a7734fa>

Password: public

OR

TO PROVIDE WRITTEN PUBLIC COMMENT: Any interested person may submit written opposition or comments by email at info@lalafco.org prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m. on the business day preceding the date set for hearing/proceedings in order to

be deemed timely and to be considered by the Commission.

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 www.lalafco.org

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR DEAR**
3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**
4. **SWEARING-IN OF SPEAKER(S)**
5. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on any items, including those items that are on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Public comments are limited to three minutes.

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 January 11, 2023
- b. Approve Operating Account Check Register for the month of December, 2022, January, 2023, and February, 2023
- c. Receive and file Update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857.
 - i. Annexation No. 2023-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley
- e. Miscellaneous Communications –
 - i. Letter of January 18, 2023, Special District Risk Management Authority (SDRMA) Chief Member Services Officer Ellen Doughty to Commission Chair Don Dear (Rescheduled from the cancelled February 8, 2023 Meeting.)

7. **PUBLIC HEARING(S)**

- a. Proposed Filing Fee Schedule (Rescheduled from the cancelled February 8, 2023 Meeting)
- b. Proposed Draft Budget for Fiscal Year 2023-24
- c. Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley, and Mitigated Negative Declaration.

8. **PROTEST HEARING(S)**

(None)

9. **OTHER ITEMS**

- a. Fiscal Year 2022-23 Mid-Year Budget Status Report (Rescheduled from the cancelled February 8, 2023 Meeting).
- b. Fiscal Year 2022-23 Mid-Year Investment Status Report (Rescheduled from the cancelled February 8, 2023 Meeting).
- c. Procurement and Reporting Policy Annual Report for 2022 (Rescheduled from the cancelled February 8, 2023 Meeting).
- d. Alternate Public Member Recruitment (Rescheduled from the cancelled February 8, 2023 Meeting).
- e. Commissioner Request to Participate Remotely (Rescheduled from the cancelled February 8, 2023 Meeting).

10. **LEGISLATION**

- a. Legislative Update

11. **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.

12. **EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

- a. Written Update
- b. Verbal Update

13. **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.

14. **FUTURE MEETINGS**

April 12, 2023
May 10, 2023
June 14, 2023

15. **ADJOURNMENT**

DRAFT

Voting Members

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Kathryn Barger
John Lee
John Mirisch
Holly Mitchell
Francine Oschin
Vacant
(Independent Special
District)

Alternate Members

Anthony Bell
Michael Davitt
Mel Matthews
Hilda Solis
Vacant
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www.lalafco.org

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

January 11, 2023

Present:

Donald Dear, Chair

Kathryn Barger
John Lee
Gerard McCallum
John Mirisch
Francine Oschin

Anthony Bell, Alternate
Mel Matthews, Alternate

Paul Novak, Executive Officer
Carole Suzuki, Legal Counsel

Absent:

Margaret Finlay
Holly Mitchell

Michael Davitt, Alternate
Hilda Solis, Alternate

Vacant:

City of Los Angeles, Alternate Member
Independent Special District, Voting Member
Alternate General Public Member

1 CALL MEETING TO ORDER

The meeting was called to order at 9:13 a.m. as both an in-person and virtual meeting.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Dear.

The EO, and on behalf of staff, welcomed the Commission back to its' first in-person meeting since March of 2020.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

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

4 SWEARING-IN OF SPEAKER(S)

The EO swore in members of the audience who planned to testify (None).

5 PUBLIC COMMENT

(None).

6 CONSENT ITEM(S)

The Commission took the following actions under Consent Item(s):

- a. Approved Minutes of November 9, 2022.
- b. Approved Operating Account Check Register for the month of November 2022.
- c. Received and filed update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857 (None).
- e. Miscellaneous Communications –
 - i. Letter of December 5, 2022, from David J. Lesser to Donald Dear, resigning his position as the Alternate Public Member.
 - ii. Letter of December 7, 2022, from Paul Novak to Paul Krekorian, concerning the City of Los Angeles Alternate Member vacancy.

MOTION: McCallum SECOND: Matthews (Alt. for VACANT) APPROVED: 7-0-0
AYES: Barger, Lee, Matthews (Alt. for VACANT), McCallum, Mirisch, Oschin,
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Finlay, Mitchell

7 PUBLIC HEARING(S)

(None).

8 PROTEST HEARING(S)

(None).

9 OTHER ITEMS

The following item was called for consideration:

- a. Proposed Filing Fee Schedule.

The EO summarized the staff report on this item.

Commissioner McCallum asked how fees are recovered. The EO stated that LAFCO requires all applicants to pay filing fees. Currently, the fees—which have not changed since their enactment in 2006—do not adequately recover the costs for staff to process, review, and analyze a typical application. Because the filing fees do not cover the actual costs, the applications are in effect indirectly subsidized by those agencies (Los Angeles County, the cities in Los Angeles County, and the independent special districts in Los Angeles County) which are required, by State law, to pay annual assessments to LAFCO. The EO further noted that the new filing fee schedule would result not only in a more accurate recovery of actual costs but that the proposed fees would be more consistent with filing fees currently charged by several other LAFCOs.

The Commission took the following actions:

- Considered the Schedule of Filing Fees;
- Directed staff to transmit the proposed filing fee schedule to representatives of Los Angeles County and the cities and independent special districts in Los Angeles County; and
- Directed staff to schedule a public hearing for the February 8, 2023 Commission Meeting, consistent with Government Code § 66016.

MOTION: McCallum SECOND: Barger APPROVED: 7-0-0
AYES: Barger, Lee, Matthews (Alt. for VACANT), McCallum, Mirisch, Oschin,
Dear
NOES: None.
ABSTAIN: None
ABSENT: Finlay, Mitchell

9 OTHER ITEMS

The following item was called for consideration:

b. Alternate Public Member Vacancy.

Commissioner Mirisch indicated that he would be interested in joining the Ad Hoc Committee for the Alternate Public Member vacancy.

The EO summarized the staff report on this item.

The Commission took the following actions:

- Directed the Executive Officer to post the Notice of Vacancy of Alternate Public Member and transmit copies as described in the staff report;
- Directed the Executive Officer to publicize the Alternate Public Member vacancy as described in the staff report;
- Authorized the Chair to appoint a 4-member Ad Hoc Committee of the Commission to screen the initial round of applicants, and make recommendations for a group of no more than 8 finalists for consideration by the Commission;
- Directed staff to agendize the interview of finalists for the Regular Meeting of the Commission on Wednesday, April 5, 2023; and
- Nominate and appoint an Alternate Public Member at the regular meeting of the Commission on Wednesday, May 10, 2023.

MOTION: Mirisch SECOND: McCallum APPROVED: 7-0-0
AYES: Barger, Lee, Matthews (Alt. for VACANT), McCallum, Mirisch, Oschin,
Dear
NOES: None.
ABSTAIN: None.
ABSENT: Finlay, Mitchell

10 LEGISLATION

The EO noted that the Legislature recently reconvened, therefore, a legislative update will be provided at next month's meeting.

11 COMMISSIONERS' REPORT

Commissioner Dear indicated that former Commissioner Gladbach, who recently passed away, will be greatly missed and that the meeting would be adjourned in his honor.

12 EXECUTIVE OFFICER'S REPORT

- a. Written Update.
- b. Verbal Update.

The EO summarized the staff report on this item.

The Commission, with no objection, received and filed the Written Update (no motion).

13 PUBLIC COMMENT

(None).

14 FUTURE MEETINGS

February 8, 2023
March 8, 2023
April 12, 2023

15 ADJOURNMENT MOTION

The Commission adjourned the in-person and virtual meeting, in memory of former Commissioner Gladbach, at 9:29 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

4:27 PM
12/28/22
Cash Basis

LA LAFCO
Register Report
December 2022

Type	Date	Num	Name	Paid Amount	Balance
Dec 22					
Check	12/01/2022	DD	TRPF 80 South Lak...	-10,180.78	-10,180.78
Bill Pmt -Check	12/12/2022	11452	County of Los Angel...	-47,851.08	-58,031.86
Bill Pmt -Check	12/12/2022	11453	Delta Dental*	-2,624.34	-60,656.20
Bill Pmt -Check	12/12/2022	11454	Deltacare	-153.84	-60,810.04
Bill Pmt -Check	12/12/2022	11455	Kaiser*	-18,734.76	-79,544.80
Bill Pmt -Check	12/12/2022	11456	MetLife (SafeGuard)	-63.42	-79,608.22
Bill Pmt -Check	12/14/2022	11457	Certified Records M...	-1,121.13	-80,729.35
Bill Pmt -Check	12/14/2022	11458	Charter Communica...	-447.90	-81,177.25
Bill Pmt -Check	12/14/2022	11459	CTS Clouds LLC	-945.00	-82,122.25
Bill Pmt -Check	12/14/2022	11460	ESRI	-3,400.00	-85,522.25
Bill Pmt -Check	12/14/2022	11461	FedEx	-30.01	-85,552.26
Bill Pmt -Check	12/14/2022	11462	LACERA-OPEB	-1,693.01	-87,245.27
Bill Pmt -Check	12/14/2022	11463	Meijun	-360.00	-87,605.27
Bill Pmt -Check	12/14/2022	11464	MetLife*	-903.00	-88,508.27
Bill Pmt -Check	12/14/2022	11465	RSG, Inc.	-26,726.25	-115,234.52
Bill Pmt -Check	12/14/2022	11466	Wells Fargo-Elite C...	-264.52	-115,499.04
Bill Pmt -Check	12/14/2022	11467	Yvonne Green CPA	-262.25	-115,761.29
Check	12/15/2022	DD	Federal Tax Deposit	-7,529.73	-123,291.02
Check	12/15/2022	DD	State Income Tax	-2,211.27	-125,502.29
Check	12/15/2022	DD	Ambar De La Torre	-2,565.11	-128,067.40
Check	12/15/2022	DD	Douglass S Dorado	-3,709.90	-131,777.30
Check	12/15/2022	DD	Douglass S Dorado	-2,766.70	-134,544.00
Check	12/15/2022	DD	Adriana L Flores	-1,519.05	-136,063.05
Check	12/15/2022	DD	Taylor J Morris	-2,433.41	-138,496.46
Check	12/15/2022	DD	Paul A Novak	-5,983.89	-144,480.35
Check	12/15/2022	DD	Alisha O'Brien	-2,665.54	-147,145.89
Check	12/15/2022	DD	Adriana Romo	-3,926.61	-151,072.50
Check	12/15/2022	DD	Paychex	-175.17	-151,247.67
Check	12/19/2022	11468	FedEx	-41.37	-151,289.04
Bill Pmt -Check	12/28/2022	11469	ATT	-280.67	-151,569.71
Bill Pmt -Check	12/28/2022	11470	Canon Financial Ser...	-346.56	-151,916.27
Bill Pmt -Check	12/28/2022	11471	FedEx	-20.16	-151,936.43
Bill Pmt -Check	12/28/2022	11472	LACERA	-20,757.23	-172,693.66
Bill Pmt -Check	12/28/2022	11473	SP Plus Corporation	-630.00	-173,323.66
Bill Pmt -Check	12/28/2022	11474	The Lincoln National	-319.76	-173,643.42
Check	12/30/2022	DD	Ambar De La Torre	-2,565.10	-176,208.52
Check	12/30/2022	DD	Douglass S Dorado	-3,709.90	-179,918.42
Check	12/30/2022	DD	Adriana L Flores	-1,369.91	-181,288.33
Check	12/30/2022	DD	Taylor J Morris	-2,433.42	-183,721.75
Check	12/30/2022	DD	Paul A Novak	-5,983.90	-189,705.65
Check	12/30/2022	DD	Alisha O'Brien	-2,665.53	-192,371.18
Check	12/30/2022	DD	Adriana Romo	-3,926.60	-196,297.78
Check	12/30/2022	DD	Federal Tax Deposit	-6,847.71	-203,145.49
Check	12/30/2022	DD	State Income Tax	-2,001.07	-205,146.56
Check	12/30/2022	DD	Paychex	-169.76	-205,316.32
Dec 22				-205,316.32	-205,316.32

10:30 AM
01/31/23
Cash Basis

LA LAFCO
Register Report
January 2023

Type	Date	Num	Name	Paid Amount	Balance
Jan 23					
Check	01/09/2023	WIRE	TRPF 80 South Lak...	-10,180.78	-10,180.78
Bill Pmt -Check	01/12/2023	11475	Certified Records M...	-1,205.74	-11,386.52
Bill Pmt -Check	01/12/2023	11476	CTS Clouds LLC	-945.00	-12,331.52
Bill Pmt -Check	01/12/2023	11477	FedEx	-47.77	-12,379.29
Bill Pmt -Check	01/12/2023	11478	LACERA-OPEB	-1,693.01	-14,072.30
Bill Pmt -Check	01/12/2023	11479	ODP Business Solut...	-137.69	-14,209.99
Bill Pmt -Check	01/12/2023	11480	Quadient Leasing U...	-501.22	-14,711.21
Bill Pmt -Check	01/12/2023	11481	Wells Fargo-Elite C...	-189.65	-14,900.86
Bill Pmt -Check	01/12/2023	11482	Yvonne Green CPA	-225.00	-15,125.86
Bill Pmt -Check	01/12/2023	11483	Charter Communica...	-447.90	-15,573.76
Bill Pmt -Check	01/12/2023	11484	Eide Bailly	-1,340.90	-16,914.66
Bill Pmt -Check	01/12/2023	11485	FedEx	-50.65	-16,965.31
Check	01/13/2023	DD	Ambar De La Torre	-2,581.86	-19,547.17
Check	01/13/2023	DD	Douglass S Dorado	-3,750.66	-23,297.83
Check	01/13/2023	DD	Adriana L Flores	-1,377.77	-24,675.60
Check	01/13/2023	DD	Taylor J Morris	-2,467.66	-27,143.26
Check	01/13/2023	DD	Paul A Novak	-6,159.76	-33,303.02
Check	01/13/2023	DD	Alisha O'Brien	-2,699.79	-36,002.81
Check	01/13/2023	DD	Adriana Romo	-3,966.84	-39,969.65
Check	01/13/2023	DD	Federal Tax Deposit	-6,584.99	-46,554.64
Check	01/13/2023	DD	State Income Tax	-1,913.81	-48,468.45
Bill Pmt -Check	01/19/2023	11486	Davis Farr LLP	-4,005.00	-52,473.45
Bill Pmt -Check	01/19/2023	11487	RSG, Inc.	-7,855.00	-60,328.45
Check	01/30/2023	DD	Ambar De La Torre	-2,581.85	-62,910.30
Check	01/30/2023	DD	Douglass S Dorado	-3,750.66	-66,660.96
Check	01/30/2023	DD	Adriana L Flores	-1,678.05	-68,339.01
Check	01/30/2023	DD	Taylor J Morris	-2,467.66	-70,806.67
Check	01/30/2023	DD	Paul A Novak	-6,159.75	-76,966.42
Check	01/30/2023	DD	Alisha O'Brien	-2,699.78	-79,666.20
Check	01/30/2023	DD	Adriana Romo	-4,006.78	-83,672.98
Check	01/30/2023	90269...	Kathryn Barger	-132.98	-83,805.96
Check	01/30/2023	DD	Anthony E Bell	-138.52	-83,944.48
Check	01/30/2023	DD	Donald Dear	-138.52	-84,083.00
Check	01/30/2023	DD	John S Lee	-138.52	-84,221.52
Check	01/30/2023	DD	Melvin L Matthews	-138.52	-84,360.04
Check	01/30/2023	DD	Gerard McCallum II	-138.52	-84,498.56
Check	01/30/2023	DD	John A Mirisch	-138.52	-84,637.08
Check	01/30/2023	DD	Francine Oschin	-138.52	-84,775.60
Check	01/30/2023	DD	Federal Tax Deposit	-6,859.74	-91,635.34
Check	01/30/2023	DD	State Income Tax	-1,936.26	-93,571.60
Bill Pmt -Check	01/30/2023	11488	ATT	-261.49	-93,833.09
Bill Pmt -Check	01/30/2023	11489	Canon Financial Ser...	-222.93	-94,056.02
Bill Pmt -Check	01/30/2023	11490	County Counsel	-3,673.92	-97,729.94
Bill Pmt -Check	01/30/2023	11491	FedEx	-91.79	-97,821.73
Bill Pmt -Check	01/30/2023	11492	LACERA	-19,639.04	-117,460.77
Bill Pmt -Check	01/30/2023	11493	ODP Business Solut...	-212.96	-117,673.73
Bill Pmt -Check	01/30/2023	11494	Quadient Finance U...	-200.00	-117,873.73
Bill Pmt -Check	01/30/2023	11495	SP Plus Corporation	-630.00	-118,503.73
Bill Pmt -Check	01/30/2023	11496	The Lincoln National	-319.76	-118,823.49
Jan 23				-118,823.49	-118,823.49

10:24 AM

03/01/23

Cash Basis

LA LAFCO
Register Report
February 2023

Type	Date	Num	Name	Paid Amount	Balance
Feb 23					
Check	02/01/2023	WIRE	TRPF 80 South Lak...	-11,677.26	-11,677.26
Check	02/01/2023	WIRE	Davis Farr LLP	-4,005.00	-15,682.26
Check	02/01/2023	DD	Paychex	-157.33	-15,839.59
Check	02/01/2023	DD	ADP	-205.40	-16,044.99
Check	02/01/2023	DD	Wells Fargo*	-2.15	-16,047.14
Check	02/15/2023	DD	Ambar De La Torre	-2,581.86	-18,629.00
Check	02/15/2023	DD	Douglass S Dorado	-3,750.66	-22,379.66
Check	02/15/2023	DD	Adriana L Flores	-1,529.96	-23,909.62
Check	02/15/2023	DD	Taylor J Morris	-2,467.67	-26,377.29
Check	02/15/2023	DD	Paul A Novak	-6,159.76	-32,537.05
Check	02/15/2023	DD	Alisha O'Brien	-2,699.79	-35,236.84
Check	02/15/2023	DD	Adriana Romo	-3,966.84	-39,203.68
Check	02/15/2023	DD	Federal Tax Deposit	-6,639.79	-45,843.47
Check	02/15/2023	DD	State Income Tax	-1,923.00	-47,766.47
Check	02/15/2023	DD	Paychex	-169.76	-47,936.23
Bill Pmt -Check	02/16/2023	11497	Certified Records M...	-1,205.74	-49,141.97
Bill Pmt -Check	02/16/2023	11498	California Assoc of ...	-500.00	-49,641.97
Bill Pmt -Check	02/16/2023	11499	Charter Communica...	-447.90	-50,089.87
Bill Pmt -Check	02/16/2023	11500	CTS Clouds LLC	-945.00	-51,034.87
Bill Pmt -Check	02/16/2023	11501	Daily Journal	-420.00	-51,454.87
Bill Pmt -Check	02/16/2023	11502	Eide Bailly	-1,045.75	-52,500.62
Bill Pmt -Check	02/16/2023	11503	FedEx	-46.78	-52,547.40
Bill Pmt -Check	02/16/2023	11504	LACERA-OPEB	-1,693.01	-54,240.41
Bill Pmt -Check	02/16/2023	11505	Los Angeles County...	-100.00	-54,340.41
Bill Pmt -Check	02/16/2023	11506	ODP Business Solut...	-346.46	-54,686.87
Bill Pmt -Check	02/16/2023	11507	RSG, Inc.	-13,481.25	-68,168.12
Bill Pmt -Check	02/16/2023	11508	SP Plus Corporation	-405.00	-68,573.12
Bill Pmt -Check	02/16/2023	11509	Wells Fargo-Elite C...	-485.41	-69,058.53
Bill Pmt -Check	02/16/2023	11510	Yvonne Green CPA	-337.50	-69,396.03
Check	02/24/2023	DD	ADP	-39.37	-69,435.40
Check	02/28/2023	DD	Federal Tax Deposit	-6,530.17	-75,965.57
Check	02/28/2023	DD	State Income Tax	-1,904.97	-77,870.54
Check	02/28/2023	DD	Ambar De La Torre	-2,581.85	-80,452.39
Check	02/28/2023	DD	Douglass S Dorado	-3,750.66	-84,203.05
Check	02/28/2023	DD	Adriana L Flores	-1,225.24	-85,428.29
Check	02/28/2023	DD	Taylor J Morris	-2,467.66	-87,895.95
Check	02/28/2023	DD	Paul A Novak	-6,216.21	-94,112.16
Check	02/28/2023	DD	Alisha O'Brien	-2,699.78	-96,811.94
Check	02/28/2023	DD	Adriana Romo	-3,966.85	-100,778.79
Check	02/28/2023	DD	Paychex	-169.76	-100,948.55
Feb 23				-100,948.55	-100,948.55

AGENDA ITEM NO. 6.c. March 8th, 2023						
PENDING PROPOSALS As of February 28th, 2023						
		LAFCO Designation Number	Applicant	Description	Status	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40, Antelope Valley	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 application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-22	5/16/2006 Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40, Antelope Valley	Los Angeles County Waterworks District No. 40, Antelope Valley	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 application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-23	10/5/2006 Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40, Antelope Valley	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 application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-24	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 fw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Application complete, missing 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 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
8	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
9	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
10	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

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
11	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
12	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chardlene and Rue Le Chardlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
13	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditors determination, plan for services, and approved map and geographic description.	10/2/2019	Unknown
14	DD	Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Andrew J Eliopoulos	annex 6.58± acres of vacant land to Los Angeles County Waterworks District No 40 for retail water services. The affected territory is located north of Eliopoulos Ranch Drive between Yianni Court and Marina Court, in the City of Palmdale	March Agenda	6/1/2021	Apr-2023
15	DD	Formation No. 2019-04 of the Acton/Agua Dulce Garbage Disposal District	County of Los Angeles	150,982 acres of inhabited territory. The affected territory is located in the unincorporated county area of Acton and Agua Dulce	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
16	DD	Formation No. 2019-05 East Antelope Valley Garbage Disposal District	County of Los Angeles	459,925 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, east of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
17	DD	Formation No. 2019-06 of the West Antelope Valley Garbage Disposal District	County of Los Angeles	293,394 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, west of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
18	DD	Formation No. 2021-07 of the Quartz Hill Garbage Disposal District	County of Los Angeles	6,575 acres of inhabited territory. The affected territory is located in the unincorporated county area of Quartz Hill	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
19	AD	Annexation 433 to District no. 14	Los Angeles County Sanitation Districts	81 Acres of uninhabited territory. The affected territory is located on 40th street East approximately 800 feet south of Avenue L, all within the City of Palmdale.	Notice of Filing Sent 11-4-21 Incomplete filing: property tax transfer resolution.	11/4/2021	Unknown
20	AOB	Reorganization No. 2021-03 for the Artesia Cemetery District, the Downey Cemetery District, and the Little Lake Cemetery District	Artesia Cemetery District, and behalf of Downey Cemetery District and Little Lake Cemetery District	Reorganization of territory located within Cities of Bell Gardens, Bellflower, Cerritos, Downey, La Mirada, Lakewood, Paramount, Santa Fe Springs, South Gate; and Los Angeles County unincorporated territory (South Whittier).	Notice of Filing Sent 12-22-21 Incomplete filing: property tax transfer resolution.	12/20/2021	Unknown
21	DD	Annexation No. 2021-10 to the City of Bradbury	City of Bradbury	66± acres of uninhabited territory. The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane, adjacent to the City of Bradbury.	Notice of Filing sent 12-06-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, and BOE fees	11/29/2021	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
22	DD	Annexation No. 2021-09 to the City of Whittier	City of Whittier	58± acres of inhabited territory. The affected territory is located along Whittier Blvd. between interstate 605 and Sorensen Ave, adjacent to the City of Whittier.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, approved map and geographic description, and BOE fees	12/13/2021	Unknown
23	DD	Reorganization No. 2019-04 to the City of La Verne	Saint George Properties, LLC	19.44± acres of uninhabited territory. The affected territory is located north of Baseline Road and Japonica Avenue, adjacent to the City of La Verne.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, BOE fees and 2nd application submittal	12/21/2021	Unknown
24	DD	Reorganization No. 2021-11 to the City of Los Angeles	Television City Studios, LLC	.64± acres of uninhabited territory. The affected territory is located south of the intersection of Beverly Blvd and Genesee Ave, surrounded by the City of Los Angeles.	Notice of Filing sent 3-9-22: property tax transfer resolution, limiting address map & list, pre-zoning ordinance, and BOE fees	12/29/2021	Unknown
25	AOB	Annexation No. 2022-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Royal Investors, LLC	30± acres of uninhabited territory. The affected territory is generally located at northwest corner of 40th Street East and Lancaster Boulevard, within the City of Lancaster.	Notice of Filing Sent 02-01-22 Incomplete filing: property tax transfer resolution, approved map and geographic description	1/20/2022	Unknown
26	AD	Annexation 434 to District no. 14	Los Angeles County Sanitation Districts	40.26 acres of uninhabited territory. The affected territory is located on the southwest corner of 20th Street West and Avenue D, all within Unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/16/2022	Unknown
27	AD	Annexation 102 to District no. 20	Los Angeles County Sanitation Districts	2.56 acres of uninhabited territory. The affected territory is located on the south side of Avenue L approximately 400 feet east of 60th Street East, all within the City of Palmdale.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/17/2022	Unknown
28	AD	Annexation 763 to District no. 21	Los Angeles County Sanitation Districts	0.44 acres of uninhabited territory. The affected territory is located on the east side of Mountain Avenue approximately 100 feet south of Sage Street, all within unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/18/2022	Unknown
29	AD	Annexation 766 to District no. 21	Los Angeles County Sanitation Districts	2.75 acres of uninhabited territory. The affected territory is located on the southwest corner of San Jose Hills Road and Atterbury Drive, all within the City of Walnut.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/19/2022	Unknown
30	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1109	Los Angeles County Sanitation Districts	1.6 acres of uninhabited territory. The affected territory is located on Sloan Canyon Road approximately 350 feet north of Meadow Grass Drive, all within Unincorporated Los Angeles County.	Notice of Filing Sent 05-17-22 Incomplete filing: property tax transfer resolution.	5/20/2022	Unknown
31	AD	Annexation 58 to District no. 2	Los Angeles County Sanitation Districts	7.37 acres of uninhabited territory. The affected territory is located on the northwest corner of Marianna Avenue and Worth Street, all within the City of Los Angeles.	Notice of Filing Sent 09-29-22 Incomplete filing: property tax transfer resolution. Notice of Filing sent not sent.	9/27/2022	Unknown
32	DD	Annexation No. 2022-06 to the Los Angeles County Waterworks District No. 40, Antelope Valley	New Anaverde, LLC	1,553 acres of uninhabited territory. The affected territory is generally located southeast of the intersection of Elizabeth Lake Road and Ranch Center Drive.	Need better map and geographic description to start. Incomplete filing: property tax transfer resolution, NOD, LLC documentation, approved map and geographic description.	9/29/2022	Unknown
33	AD	Annexation 767 to District no. 21	Los Angeles County Sanitation Districts	0.32 acres of uninhabited territory. The affected territory is located on the east side of Garey Avenue approximately 100 feet south of White Oak Drive, all within unincorporated Los Angeles County.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
34	AD	Annexation 440 to District no. 22	Los Angeles County Sanitation Districts	1.1 acres of uninhabited territory. The affected territory is located on the south side of Holt Avenue approximately 350 feet east of Grand Avenue, all within the City of West Covina.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
35	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1107	Los Angeles County Sanitation Districts	9.68 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway at Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
36	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1108	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the east side of Alderbrook Drive approximately 100 feet north of Oak Orchard Road, all within the city of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
37	AD	Annexation 769 to District no. 21	Los Angeles County Sanitation Districts	2.36 acres of uninhabited territory. The affected territory is located on the east side of Fruit Street approximately 600 feet north of Foothill Boulevard, all within the City of La Verne.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
38	AD	Annexation 439 to District no. 22	Los Angeles County Sanitation Districts	4.29 acres of uninhabited territory. The affected territory is located on Winston Avenue approximately 200 feet south of Lemon Avenue, all within the City of Bradbury.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
39	AD	Annexation 765 to District no. 21	Los Angeles County Sanitation Districts	0.75 acres of uninhabited territory. The affected territory is located on the south side of Annelien Street approximately 300 feet east of Hacienda Boulevard, all within unincorporated Los Angeles County.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
40	AD	Annexation 438 to District no. 22	Los Angeles County Sanitation Districts	0.98 acres of uninhabited territory. The affected territory is located on Cameron Avenue approximately 160 feet south of Navaro Lane, all within the City of West Covina.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
41	DD	Detachment No. 2022-08 from Los Angeles County Waterworks District No. 36, Val Verde	Claremont Homes, Inc.	73 acres of uninhabited territory. The affected territory is located southwest corner of Mandolin Canyon Road and Sloan Canyon Road, all within unincorporated Los Angeles County (Castaic)	Incomplete application submitted. Waiting for documents to start detachment process.	12/13/2022	Unknown
42	AD	Annexation 437 to District no. 14	Los Angeles County Sanitation Districts	1.257 acres of uninhabited territory. The affected territory is located on the southeast corner of Market Street and Enterprise Parkway, all within the City of Lancaster.	Incomplete application submitted. Waiting on copy of TTR.	1/23/2023	Unknown

Staff Report

March 8, 2023

Agenda Item No. 6.d.i.

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

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

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

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

**Annexation No. 2023-01 to Los Angeles County Waterworks District No. 40,
Antelope Valley**

Description: SCT1, LLC and California Tennessee Investor Associates (landowners) filed an application to annex 78.97± acres of vacant land to Los Angeles County Waterworks District No 40. The project includes the potential future development of industrial buildings.

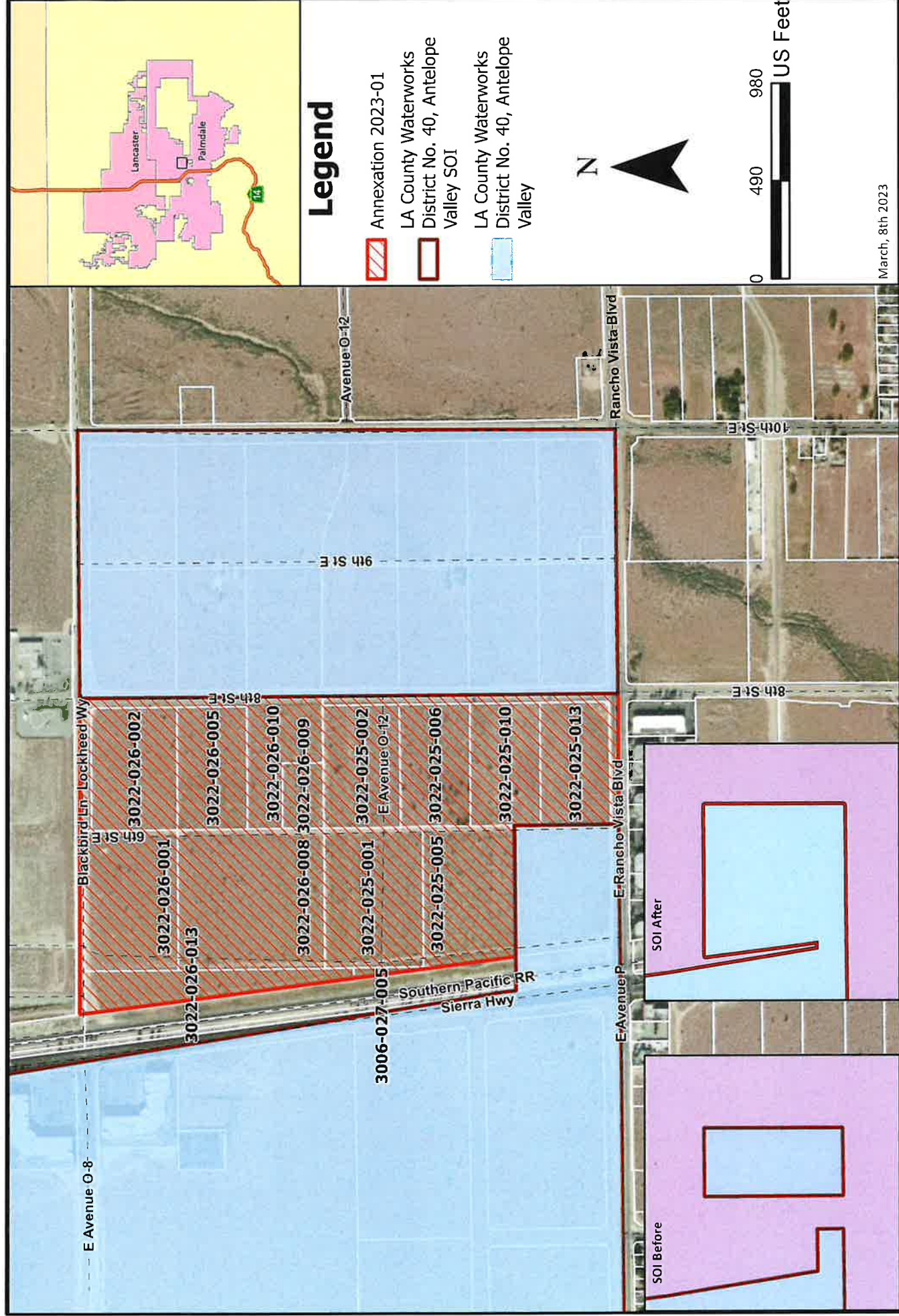
Location: The project site is located southwest of the intersection of Blackbird Way and Lockheed Way, in the City of Palmdale.

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

RECOMMENDED ACTION:

1. The Commission receive and file the information item.

Annexation 2023-01 to LA County Waterworks District No. 40, Antelope Valley





1112 I Street, Suite 300
 Sacramento, California 95814-2865
 T 916.231.4141 or 800.537.7790 • F 916.231.4111

Maximizing Protection. Minimizing Risk. • www.sdrma.org

Notification of Nominations – 2023 Election
 SDRMA Board of Directors

January 18, 2023

REC'D LAFCO
 JAN 23 2023 AM 8:13

Mr. Donald Dear
 Board President
 Local Agency Formation Commission for Los Angeles County
 80 S. Lake Avenue, Suite 870
 Pasadena, California 91101

Dear Mr. Dear:

Notice of Nominations for the Special District Risk Management Authority (SDRMA) Board of Directors 2023 Election is being provided in accordance with the SDRMA Sixth Amended and Restated Joint Powers Agreement. The following nomination information has been posted to the SDRMA website: Nomination Packet Checklist, Board of Director Fact Sheet, Nomination/Election Schedule, SDRMA Election Policy No. 2022-06, Sample Resolution for Candidate Nomination and Candidate Statement of Qualifications.

General Election Information - Three (3) Directors seats are up for election. The nomination filing deadline is Monday, May 1, 2023. Nomination submissions must be received by 4:30 pm at the SDRMA office on May 1, 2023, in original format with wet signatures. *Digital/Electronic signatures will not be accepted.* Ballots will be mailed to all SDRMA member agencies in mid-May. Mail-in ballots will be due Tuesday, August 8, 2023.

Nominee Qualifications - Nominees must be a member or the agency's governing body or full-time management employee (see SDRMA Election Policy 2022-06, Section 4.1) and be an active member agency of both SDRMA's property/liability and workers' compensation programs. Candidates must be nominated by resolution of their member agency's governing body and complete and submit a "Statement of Qualifications".

Nomination Documents and Information - Nomination documents (Nominating Resolution and Candidates Statement of Qualifications) and nomination guideline information may be obtained on SDRMA's website at www.sdrma.org. To obtain documents electronically:

From the SDRMA homepage, click on the "2023 Nomination & Election Information" button. All necessary nomination documents and election information may be downloaded and printed.



Nomination Filing Deadline – Nomination documents must be received in SDRMA's office no later than 5:00 P.M. on Monday, May 1, 2023.

Please do not hesitate to contact us memberplus@sdrma.org or 800-537-7790, if you have any questions regarding the 2023 SDRMA Board of Director Nominations or the election process.

Sincerely,
Special District Risk Management Authority

Ellen Doughty, ARM
Chief Member Services Officer

Staff Report
March 8, 2023

Agenda Item No. 7.a.
Proposed Filing Fee Schedule (Public Hearing)
(Rescheduled from the Cancelled February 8, 2023 Meeting)

Staff presented a proposed filing fee schedule to the Commission at your January 11th Meeting. Pursuant to the staff recommendation and Commission direction, staff transmitted a copy of the proposed filing fee schedule to representatives of the County of Los Angeles (Chief Executive Officer), the eighty-eight (88) cities (city managers), and the fifty-three (53) independent special districts (general managers). Staff recommends that the Commission conduct the public hearing concerning the proposed filing fee schedule, consistent with Government Code § 66016 (for which public notice was published on January 17, 2023); and adopt a resolution to enact the proposed filing fee schedule with an effective date of July 1, 2023.

Staff received the following comments from public agency representatives:

- The City of Bradbury's City Manager stated that he has "no issues with it," adding that "17 years is a long time not to adjust fees."
- The Compton Creek Mosquito Abatement District's General Manager commented that he "agrees with these changes," and that it is "hard to operate today on 2006 costs." He also noted that the "actual costs for staff, consultant, legal" should be provided.
- The City of Lawndale's City Manager observed that "all public agencies are required to justify their fees with a time and materials study," and that a study was not attached to the staff report.
- The City of Santa Clarita's City Manager noted that the City "understand[s] the need to keep up with the costs associated with the work provided by LAFCO," but also indicated a concern that "the standard application fee in Santa Clarita would nearly double." He recommended that the Commission consider the concept of phasing the fees over a number of years.

The emails from these individuals are attached to this staff report, and staff replied to all commenting parties.

Since the cancellation of the February 8th Meeting, staff has received no additional inquiries.

With respect to these issues, staff notes:

1. Time and Materials Study:

- Although staff prepared the required time and materials study, a copy was not attached to the January 11th staff report, nor was it provided in the outreach to public agency representatives. Staff has attached the time and materials study to this staff report, and provided it to the two individuals above who commented on the subject.

- In addition, the time and materials study was posted to LAFCO's website on January 23, 2023.
- LAFCO's accountant and independent auditor reviewed the calculation of fully burdened labor rates, found them to be accurately compiled and consistent with industry processes, and certified that the substantiations of costs to provide services and the methodology used in calculating the proposed fees follow the best practices for appropriate cost recovery. LAFCO's legal counsel also reviewed the methodology and concur that staff's approach is consistent with all legal requirements.

2. Phase-In of New Fees:

- Should the Commission adopt the new fees, they would not take effect until July 1, 2023. This provides potential applicants nearly four (4) months to file proposals under the current fee schedule. Staff continues its assistance to several agency representatives to ensure that they meet the July 1st deadline.
- LAFCO collects filing fees based upon a current schedule enacted in 2006. Given a documented average cost of \$10,721 to process a proposal—and a current fee schedule that ranges from \$2,500 to \$7,500—the Commission is currently charging substantially less than it costs to process, review, and analyze each proposal. Given a shortfall in filing fees, those costs are subsidized by all public agencies that pay annual assessments to LAFCO, rather than the applicants who benefit from these proposals.

Going forward, staff recommends adopting a process to adjust fees annually, based upon changes to the future yearly Consumer Price Index. This procedure will ensure that future fees keep pace with increased costs, in small annual adjustments. This will minimize the impacts of future fee increases upon applicants, and very likely avoid “one-time” significant increases. Staff further recommends that a time and materials study be conducted every five years, to ensure that all fees keep pace with LAFCO costs.

Staff believes that the combination of these factors will minimize the impact of the proposed fee changes, and provide more regularity and transparency to the process now and in the future.

Recommended Action:

Staff recommends that the Commission:

1. Adopt the attached Resolution Making Determinations to adopt the proposed Schedule of Filing Fees;
2. Direct staff to notify representatives of Los Angeles County and the cities and independent special districts in Los Angeles County of the new Schedule of Filing Fees, and further inform said agencies that the schedule will take effect on July 1, 2023;

3. Direct staff to post the Schedule of Filing Fees to the LAFCO website prior to July 1, 2023;
4. Direct staff to adjust fees annually by the amount of the increase in the Consumer Price Index (for Urban Wage Earners and Clerical Workers published by the U.S. Bureau of Labor Statistics for the Los Angeles-Long Beach-Anaheim Area) (CPI Index), to amend the fee schedule accordingly each year on July 1st; and to provide advance notification to representatives of the County of Los Angeles and the cities and independent special districts in Los Angeles County; and
5. Direct staff to conduct a thorough review and analysis of the existing calculations of tasks, hours expended, and burdened labor rates, to identify the then-current costs beyond the increases tied to the CPI Index, and make a recommendation to the commission if any changes to the filing fee schedule are warranted, every five years, beginning in July-August of 2028.

Attachments:

- Attachment A: Resolution Making Determinations
- Attachment B: Comments from Public Agency Representatives
- Attachment C: Proposed Fees and Existing Fees Chart
- Attachment C: Time and Materials Study

RESOLUTION NO. 2023-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ADOPTING A FILING FEE SCHEDULE

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (commencing with Government Code § 56000) authorizes the Local Agency Formation Commission for the County of Los Angeles (Commission or LAFCO) to establish a schedule of fees and a schedule of service charges, pursuant to Government Code § 56383;

WHEREAS, LAFCO enacted a filing fee schedule in January, 2006; and

WHEREAS, applicants who submit a proposal to LAFCO pay filing fees consistent with the schedule of fees implemented in 2006; and

WHEREAS, the current filing fees do not cover the costs for LAFCO staff to process, review, and analyze each proposal, as documented in the February 8th staff report and attachments associated with this resolution making determinations, and as further documented in the January 11th staff report and attachments presented to and considered by the Commission; and

WHEREAS, the Commission considered a written staff report and an oral presentation by staff at the January 11, 2023 Meeting, and directed staff to provide notice for a public hearing;

WHEREAS, staff provided a copy of the proposed filing fee schedule to representatives of the County of Los Angeles, the eighty-eight (88) cities in Los Angeles County, and the fifty-three (53) independent special districts in Los Angeles County, immediately after the Commission's January 11th Meeting; and

WHEREAS, staff compiled comments from public agency representatives, provided copies to the Commission, and the Commission has considered those comments; and

WHEREAS, the Commission set the public hearing for February 8, 2023 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;

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to Government Code §§ 56153, 56154, 56383, and 66016, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on Tuesday, January 17, 2023, which is at least 21 days prior to the February 8th public hearing; and

WHEREAS, the February 8, 2023 Commission Meeting was canceled, and this agenda item was rescheduled for the March 8, 2023 Commission Meeting;

WHEREAS, at the time and place fixed in the notice, and as continued to March 8, 2023, the hearing was held, and any and all oral or written comments, objections, objections, and evidence were received and considered; and

WHEREAS, staff has prepared a time and materials study documenting the cost to LAFCO to process, review, and analyze a proposal, a copy of which is attached to the staff report associated with this resolution making determinations;

WHEREAS, the time and materials study demonstrates that the proposed filing fees are at amounts which do not exceed the estimated amount required to provide the service for which the fee or service charge is levied, as required by Government Code § 66016; and

WHEREAS, staff posted the time and materials study to the Commission website on January 23, 2023, in compliance with Government Code § 66016; and

WHEREAS, staff has prepared a chart which compares the existing fees that are currently being charged pursuant to the filing fee schedule implemented in 2006, as well as the proposed filing fee schedule, a copy of which is attached to the staff report associated with this resolution making determinations;

WHEREAS, and in the interest of affording potential applicants adequate time in which to file a proposal (or proposals) with LAFCO in advance of the new filing fees being enacted, this filing fee schedule will take effect on July 1, 2023; and

WHEREAS, and to account for annual increased costs for LAFCO staff to process, review, and analyze proposals (applications), the Commission hereby authorizes staff to adjust fees annually, on July 1st of each year, in an amount (percentage) equal to the amount of the increase in the Consumer Price Index (for Urban Wage Earners and Clerical Workers published by the U.S. Bureau of Labor Statistics for the Los Angeles-Long Beach-Anaheim Area), with further direction that staff provide notice, in advance of the annual adjustment, to representatives of the County, the cities and special districts in Los Angeles County, of the revised fees, and that staff update the filing fee schedule on the LAFCO website accordingly;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby adopts this schedule of filing fees:

PART ONE: FIXED FEES (Proposals Submitted to LAFCO)

Change of Organization (Annexation or Detachment)

Affected Territory Acreage

9.99 Acres or less	\$5,600	All fees include GIS Tech review of one (1) polygon of affected territory. For any proposal with more than one polygon of affected territory, the fee shall be increased by \$750/polygon
10.00 to 24.99 Acres	\$7,500	
25.00 to 49.99 Acres	\$9,500	
50.00 to 99.99 Acres	\$11,500	
100.00 Acres or more	\$14,000	

Reorganizations

Affected Territory Acreage

9.99 Acres or less	\$6,720	All fees include GIS Tech review of one (1) polygon of affected territory. For any proposal with more than one polygon of affected territory, the fee shall be increased by \$750/polygon
10.00 to 24.99 Acres	\$9,000	
25.00 to 49.99 Acres	\$11,400	
50.00 to 99.99 Acres	\$13,800	
100.00 Acres or more	\$16,800	

Sphere of Influence Amendments/Updates/Changes

With associated change of organization or reorganization

\$2,500

Without other action

9.99 Acres or less	\$3,000
10.00 to 24.99 Acres	\$3,500
25.00 to 49.99 Acres	\$5,000
50.00 to 99.99 Acres	\$6,000
100.00 Acres or more	\$7,000

Multiple County Proposal

Any proposal involving two or more counties	\$2,000 per additional County
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Out-of-Agency Service

56133(b) & (c) Service Requests and 56133(e) Exemption Requests	\$5,700
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PART TWO: FIXED FEES (SPECIAL REQUESTS)

Request for Reconsideration	Fifty-Percent (50%) of initial filing fee
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Request to schedule a "special meeting" of the Commission	\$5,000
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Request to schedule a "special meeting" conducted by the Executive Officer	\$3,500
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Request transfer of jurisdiction to/from another Commission (LAFCO)	\$1,500
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CEQA Lead Agency Request for NOD/NOE	\$1,000
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PART THREE: ACTUAL COST AND/OR VARIABLE FEES

Out-of-Agency Request Pursuant to 56134	Actual Cost of Staff, Consultant, and Legal Counsel
--	--

Appeal CFA to State Controller's Office (SCO)	Actual Cost, as determined by SCO
--	---

CEQA Lead Agency Request for Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report	Actual Cost of Staff, Consultant, and Legal Counsel
--	--

Special Reorganization	Actual Cost of Staff, Consultant, and Legal Counsel
------------------------	--

Request for non-scheduled Municipal Service Review (MSR)	Actual Cost of Staff, Consultant, and Legal Counsel
Incorporation, Dissolution, or Consolidation	Actual Cost of Staff, Consultant, and Legal Counsel
District Formation	Actual Cost of Staff, Consultant, and Legal Counsel
District Dissolution, Consolidation, or Merger	Actual Cost of Staff, Consultant, and Legal Counsel
Establish Subsidiary District	Actual Cost of Staff, Consultant, and Legal Counsel

PART FOUR: FEES COLLECTED BY LAFCO FOR OTHER PUBLIC AGENCIES

Los Angeles County Registrar-Recorder/County Clerk (RRCC) to record a Certificate of Completion (C of C)	Fee/Charge assessed by RRCC (with no mark-up)
Los Angeles County Registrar-Recorder/County Clerk (RRCC) to post Notice of Determination (NOD) or Notice of Exemption (NOE) for a California Environmental Quality Act (CEQA) Action	Fee/Charge assessed by RRCC (with no mark-up)

State of California Board of Equalization
(BOE) for LAFCO's filing of a Statement of
Boundary Change

Fee/Charge assessed by
BOE (with no mark-up)

2. The fee schedule herein shall take effect on July 1, 2023.
3. The Commission directs staff to adjust fees annually, on July 1st of each year, in an amount (percentage) equal to the amount of the increase in the Consumer Price Index (for Urban Wage Earners and Clerical Workers published by the U.S. Bureau of Labor Statistics for the Los Angeles-Long Beach-Anaheim Area), and directs staff to provide notice, in advance of the annual adjustment, to representatives of the County, the cities and special districts in Los Angeles County, of the revised fees, and that staff update the filing fee schedule on the LAFCO website accordingly.
4. Direct staff to conduct a thorough review and analysis of the existing calculations of tasks, hours expended, and burdened labor rates, to identify the then-current costs beyond the increases tied to the CPI Index, and make a recommendation to the commission if any changes to the filing fee schedule are warranted, every five years, beginning in July-August of 2028.
5. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or

omission.

PASSED AND ADOPTED this 8th day of March, 2023.

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**

Paul Novak

From: Kevin Kearney <kkearney@cityofbradbury.org>
Sent: Wednesday, January 11, 2023 4:36 PM
To: Paul Novak
Cc: Adriana Romo; Alisha O'Brien
Subject: RE: Proposal to Adjust LAFCO Filing Fees

I have no issues with it. 17 years is a long time not to adjust fees.

Kevin R. Kearney

City Manager | City of Bradbury
600 Winston Avenue, Bradbury, California 91008
O: (626) 358-3218 | F: (626) 303-5154 | kkearney@cityofbradbury.org

Paul Novak

From: mweinbaum@comptoncreekmad.org
Sent: Thursday, January 12, 2023 7:45 AM
To: Paul Novak
Subject: RE: FW:Proposal to Adjust LAFCO Filing Fees

Hi Paul,

I agree with these changes, hard to operate today on 2006 costs

Two thoughts of mine:

- On the filing fee chart, actual costs for staff, consultant, legal, could the actual fees be listed for all to see
- On the proposal, page 5, conclusions, 2nd line after the word 'staff' spell check needed

On another note, thanks to your staff for working with our surveyor, things are finally moving thanks to you

Regards,

Mitchell R. Weinbaum

General Manager

Compton Creek Mosquito Abatement District

Office (310) 933-5321

Cell (310) 525-9780

info@comptoncreekmad.org



Protecting Public Health Since 1927

Paul Novak

From: Sean Moore <SMoore@lawndalecity.org>
Sent: Thursday, January 12, 2023 12:02 PM
To: Paul Novak
Subject: RE: FW:Proposal to Adjust LAFCO Filing Fees

Hi Paul,

I'm just helping out an old LAFCo colleague. I think all public agencies are required to justify their fees with a time and materials study, otherwise, your fees are not valid. Maybe I am incorrect and LAFCo's have some type of legislative carve out for not having to meet these requirements. I didn't see anything attached or any reference made to a master fee study in the staff report.

Best of luck always!

Kind regards,

SEAN M. MOORE, AICP, MPA, MPS

City Manager

CITY OF LAWDALE

14717 Burin Avenue, Lawndale, CA 90260

Office: 310-973-3200 | **Email:** smoore@lawndalecity.org | **Website:** www.lawndalecity.org



Paul Novak

From: Ken Striplin <KSTRIPLIN@santa-clarita.com>
Sent: Tuesday, January 17, 2023 5:06 PM
To: Paul Novak
Subject: RE: Proposal to Adjust LAFCO Filing Fees

Hi Paul,

It's good to hear from you. Thanks again for the help you and your team provided over the past year on the Tesoro del Valle Annexation. I am glad that together we were able to finish the annexation on-time and welcome Tesoro residents to the City, just in time for the holidays.

In regard to the new fees, we appreciate the opportunity to review and provide comment. We understand the need to keep up with the costs associated with the work provided by LAFCO. In reviewing the proposed fees, it appears that the standard application fee in Santa Clarita would nearly double (Currently: \$8,500 and Proposed: \$16,500). When faced with similar increases in the past, the City Council has opted to phase the fees in over a number of years to mitigate the impact to customers. We would strongly recommend that a phased approach be considered here given the significant increase.

Assuming the application fees increase in the near future, could you provide information on what can be done to lock in current fees for a project? We have an annexation that is in the early stages and would like to lock in the fee as soon as we can. Any guidance you can provide would be appreciated.

Thank you again for the opportunity to review and comment on the proposed fees. Please let us know if we can be of any further assistance.

Sincerely,

Ken Striplin
City Manager

PROPOSED FEES

PART ONE: FIXED FEES (Proposals Submitted to LAFCO)

Change of Organization (Annexation or Detachment)

<u>Affected Territory Acreage</u>	
9.99 Acres or less	\$5,600
10.00 to 24.99 Acres	\$7,500
25.00 to 49.99 Acres	\$9,500
50.00 to 99.99 Acres	\$11,500
100.00 Acres or more	\$14,000

All fees are include GIS Tech review of one (1) polygon of affected territory. For any proposal with more than one polygon of affected territory, the fee shall be increased by \$750/polygon

Reorganizations

<u>Affected Territory Acreage</u>	
9.99 Acres or less	\$6,720
10.00 to 24.99 Acres	\$9,000
25.00 to 49.99 Acres	\$11,400
50.00 to 99.99 Acres	\$13,800
100.00 Acres or more	\$16,800

All fees are include GIS Tech review of one (1) polygon of affected territory. For any proposal with more than one polygon of affected territory, the fee shall be increased by \$750/polygon

Sphere of Influence Amendments/Updates/Changes

<u>With associated change of organization or reorganization</u>	\$2,500
<u>Without other action</u>	
9.99 Acres or less	\$3,000
10.00 to 24.99 Acres	\$3,500
25.00 to 49.99 Acres	\$5,000
50.00 to 99.99 Acres	\$6,000
100.00 Acres or more	\$7,000

Multiple County Proposal

Any proposal involving two or more counties \$2,000 per additional County

EXISTING FEES

PART ONE: FIXED FEES (Proposals Submitted to LAFCO)

Change of Organization (Annexation or Detachment)

<u>Affected Territory Acreage</u>	
0-4.99 Acres	\$2,500
5 to 9.99 Acres	\$3,000
10 to 24.99 Acres	\$3,500
25 to 49.99 Acres	\$5,000
50 to 99.99 Acres	\$6,000
100+ Acres	\$7,000
160+ Acres	\$8,000

Reorganizations

<u>Affected Territory Acreage</u>	
0-4.99 Acres	\$3,000.0
5 to 9.99 Acres	\$3,600.0
10 to 24.99 Acres	\$4,200.0
25 to 49.99 Acres	\$6,000.0
50 to 99.99 Acres	\$7,200.0
100+ Acres -	\$8,400.0

Sphere of Influence Amendments/Updates/Changes

<u>With associated change of organization or reorganization</u>	\$500
<u>Without other action</u>	
0-4.99 Acres	\$2,500
5 to 9.99 Acres	\$3,000
10 to 24.99 Acres	\$3,500
25 to 49.99 Acres	\$5,000
50 to 99.99 Acres	\$60,000
100+ Acres	\$7,000

Multiple County Proposal

Any proposal involving two or more counties No existing fee

PROPOSED Fees

Out-of-Agency Service 56133(b) & (c) Service Requests and 56133(e) Exemption Requests		\$5,700
PART TWO: FIXED FEES (SPECIAL REQUESTS)		
Request for Reconsideration	Fifty-Percent (50%) of initial filing fee	
Request to schedule a "special meeting" of the Commission	\$5,000	
Request to schedule a "special meeting" conducted by the Executive Officer	\$3,500	
Request transfer of jurisdiction to/from another Commission (LAFCO)	\$1,500	
CEQA Lead Agency Request for NOD/NOE	\$1,000	

PART THREE: ACTUAL COST AND/OR VARIABLE FEES

Out-of-Agency Request Pursuant to 56134	Actual Cost of Staff, Consultant, and Legal Counsel
Appeal CFA to State Controller's Office (SCO)	Actual Cost, as determined by SCO

EXISTING Fees

Out-of-Agency Service 56133(b) & (c) Service Requests and 56133(e) Exemption Requests		\$2,000
PART TWO: FIXED FEES (SPECIAL REQUESTS)		
Request for Reconsideration	Fifty-Percent (50%) of initial filing fee	
Request to schedule a "special meeting" of the Commission	No existing fee	
Request to schedule a "special meeting" conducted by the Executive Officer	No existing fee	
Request transfer of jurisdiction to/from another Commission (LAFCO)	No existing fee	
CEQA Lead Agency Request for NOD/NOE	No Charge	

PART THREE: ACTUAL COST AND/OR VARIABLE FEES

Out-of-Agency Request Pursuant to 56134	No existing fee
Appeal CFA to State Controller's Office (SCO)	Actual Cost, as determine by SCO

PROPOSED Fees

EXISTING Fees

CEQA Lead Agency Request for Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report	Actual Cost of Staff, Consultant, and Legal Counsel	CEQA Lead Agency Request for Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report	Actual Cost
Special Reorganization	Actual Cost of Staff, Consultant, and Legal Counsel	Special Reorganization	\$10,000
Request for non-scheduled Municipal Service Review (MSR)	Actual Cost of Staff, Consultant, and Legal Counsel	Request for non-scheduled Municipal Service Review (MSR)	Actual Cost
Incorporation, Dissolution, or Consolidation	Actual Cost of Staff, Consultant, and Legal Counsel	Incorporation, Dissolution, or Consolidation	\$7,500
District Formation	Actual Cost of Staff, Consultant, and Legal Counsel	District Formation	\$7,500
District Dissolution, Consolidation, or Merger	Actual Cost of Staff, Consultant, and Legal Counsel	District Dissolution, Consolidation, or Merger	\$5,000
Establish Subsidiary District	Actual Cost of Staff, Consultant, and Legal Counsel	Establish Subsidiary District	\$4,000

Time and Materials Study

	Analyst		GIS		Clerk		Management		Legal	
	Alisha	Amber	Doug	AR/PN	Taylor	Adriana F.	Adriana R.	Paul	AR/PN	AR/PN
Pre-Filing:										
Consult with applicant/consultant	1.50	N/A	2.00	2.00	1.00	0.50	N/A	0.50		N/A
Application Submittal:										
Intake application from applicant/representative	N/A	N/A	0.50	0.50	N/A	0.50	N/A	N/A		N/A
Create file	N/A	N/A	N/A	N/A	N/A	1.00	N/A	N/A		N/A
Log file into LAFCO spreadsheet	0.50	0.50	0.50	0.50	N/A	N/A	N/A	N/A		N/A
Receive/review and deposit filing fee check	N/A	N/A	N/A	N/A	N/A	N/A	0.50	N/A		N/A
Initial Review										
Research Tax Rate Area (TRA) information	0.50	0.50	1.00	0.50	N/A	N/A	N/A	N/A		N/A
Ascertain completeness	1.00	2.00	1.00	1.50	N/A	N/A	N/A	N/A		N/A
Issue incomplete letter	0.50	1.00	1.00	1.00	N/A	N/A	N/A	0.50		N/A
Issue Notice of Filing to affected agencies	2.00	1.00	4.00	2.50	N/A	N/A	N/A	N/A		N/A
Consult with EO/DEO	0.50	0.50	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Assess CEQA compliance and documentation	0.50	2.00	1.00	1.50	N/A	N/A	0.50	0.50		N/A
Maps/Geographic Description(s)										
Review and send corrections to preparer	N/A	N/A	N/A	N/A	10.00	N/A	N/A	N/A		N/A
Review revisions, issue new corrections	N/A	N/A	N/A	N/A	10.00	N/A	N/A	N/A		N/A
Review final version, issue approval	N/A	N/A	N/A	N/A	10.00	N/A	N/A	N/A		N/A
Coordination/review with analyst, management	N/A	N/A	N/A	N/A	2.00	N/A	N/A	N/A		N/A
Prepare exhibit(s) for Commission Meeting	N/A	N/A	N/A	N/A	10.00	N/A	N/A	N/A		N/A
Secure final copies for COC, provide to analyst	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A
Advise GIS Tech on any mapping issues	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A
Pre-hearing										
Coordinate property tax transfer resolutions with public agencies	N/A	N/A	2.00	1.00	N/A	N/A	N/A	N/A		N/A
Research outstanding issues	1.00	3.00	10.00	5.00	N/A	N/A	1.00	1.00		N/A
Ensure completeness of file/application	1.00	2.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Consult with applicant re status, required information	1.00	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Consult with staff/others to schedule hearing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00		N/A
Notice of hearing (Public hearing)										
Issue Certificate of Filing (COF)	0.50	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Prepare hearing notice	1.00	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Mail hearing notice	1.00	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Publish hearing notice in newspaper(s)	0.50	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A
Staff Report (Public Hearing)										
Add to Commission Meeting agenda	0.50	0.50	0.50	0.50	N/A	N/A	N/A	N/A		N/A
Draft staff report	3.00	12.00	10.00	8.00	N/A	N/A	N/A	N/A		N/A
Draft Resolution Making Determinations (RMD)	1.00	4.00	5.00	4.00	N/A	N/A	N/A	N/A		N/A
Ensure CEQA compliance (consult with legal and management)	1.00	2.00	1.00	1.50	N/A	N/A	N/A	N/A		N/A
Revise staff report/RMD (attorney/management edits)	2.00	2.00	2.00	2.00	N/A	N/A	1.00	1.00		N/A
Prepare disclosure information for commissioners	0.50	0.50	1.00	0.50	N/A	N/A	N/A	N/A		N/A
Issue check payment for hearing notice	N/A	N/A	N/A	N/A	N/A	N/A	0.50	N/A		N/A
Commission Meeting (Public Hearing)										
Draft presentation to Commission	N/A	N/A	1.00	1.00	2.00	N/A	N/A	N/A		N/A
Review exhibit slides for Commission Meeting	N/A	N/A	1.00	0.50	2.00	N/A	0.50	N/A		N/A
Attend Commission Meeting	0.50	0.50	0.50	0.50	3.00	1.00	0.50	N/A		N/A
Notice of hearing (Protest Hearing)										
Prepare hearing notice	0.50	1.00	1.00	1.00	N/A	N/A	N/A	N/A		N/A

[illegible]

Staff Report

March 8, 2023

Agenda Item No. 7.b.

Proposed Draft Budget for Fiscal Year 2023-24

Background

Government Code Section 56381 requires the Commission to adopt a proposed budget for the upcoming fiscal year (July 1 to June 30) by May 1st and a final budget by June 15th of each year. The Commission is further required to hold a noticed public hearing for both the proposed and final budget, and to distribute copies of the proposed and final budget to the County of Los Angeles, the eighty-eight (88) cities in Los Angeles County, and the fifty-one (51) independent special districts in Los Angeles County. The public hearing notice for the March 8, 2023 and April 12, 2023 meetings for the budget were posted in the Daily Journal on February 3, 2023.

Proposed Draft Budget

The Final Budget for the current fiscal year, FY 2022-23, was adopted at \$1,751,843 by the Commission on April 13, 2022. The Draft Budget for FY 2023-24 proposes a negligible increase over last year's adopted budget, to \$1,776,843.

Proposed Assessments

The overall Proposed Draft Budget for FY 2023-24 anticipates no increase to the LAFCO apportionment collected in the current fiscal year (FY 2022-23).

The proposed budget includes a placeholder for Municipal Service Reviews (MSRs), increased costs from insurance rate premiums, scheduled salary increases affected by CPI, and additional costs in various budgetary categories associated with historical and recent rate inflation increases.

Further explanation on budget categories of interest is included below.

Expenditures

There are three expenditure categories in the LAFCO Budget, consisting of Salaries and Benefits, Office Expenses, and Professional Services. Over the current year adopted budget (FY 2022-23), the Proposed Draft Budget includes an increase in Salaries and Benefits of approximately 9.6%, an Office Expense decrease of nearly 1%, and a Professional Service decrease of approximately 31%. Overall, the proposed expenditures result in a 1.43% increase over last year's budget.

Employee Salaries (50001): The proposed amount accounts for current salaries, merit increases, as well as contractually-required cost of living increases (anticipated at this time to be five-percent), which will take effect July 1, 2023.

Employer Paid Pension Contributions (50015): As a LACERA participatory agency, LAFCO is subject to employer paid pension contribution rate increases, which LACERA

will provide LAFCO in fall of 2023. A placeholder of increased employer contribution rates of 1% is included in the proposed budget.

Insurance (Health, Disability, Life) (50019): This account includes health, disability, and life insurance, and is subject to increases outside of the Commission's control.

Payroll Taxes (50020): Payroll are a percentage of salaries. This budget line item was increased to reflect current salaries as well as contractually-required cost of living increases which will take effect on July 1, 2023.

Other Post-Employment Benefits (OPEB)—Existing Retirees (50022): The proposed budget for FY 2023-24 reflects actual OPEB invoices for the current fiscal year.

Rent (50025): In June of 2021, the Commission approved a lease extension for LAFCO's current office space at 80 South Lake Avenue in Pasadena. The lease extension provided a three-month rent abatement (for the months of December 2021, January 2022, and February 2022) and a credit of common area charges through December of 2022. FY 2023-24 normalizes rent and CAM charges through the remaining term of the lease.

Property/Liability Insurance (50032): Due to litigation and a higher concentration of claims filed in the Los Angeles area, LAFCO's premium is increasing by approximately 10.65% in FY 2023-24 compared to the current fiscal year (2022-23).

Information Technology/Programming (50040): Expenses in this category are primarily for the routine maintenance of office computer equipment. In addition, a nominal amount is included for services required outside of the routine monthly maintenance. Recent activity is causing LAFCO to increase its cybersecurity and expend additional resources to protect LAFCO's network system.

Audit/Financial Statements (50077.2): The cost is consistent with the amount quoted for auditing services, approved previously by the Commission.

Contract Services (50078): This account is used for miscellaneous services for various contracts. An OPEB Valuation is included in the proposed budget.

Municipal Service Reviews (MSRs) (50081): The proposed budget includes a placeholder, in the event LAFCO retains a consultant to prepare an MSR or MSRs.

OPEB Liability

OPEB Liability – Reserves (20020): Due to the volatility of current investments and declining rates of return over the 2022-23 FY, through quarters III and IV of 2022, LAFCO is not proposing additional reserve contributions to LAFCO's OPEB Trust fund until the existing fund investments begin to stabilize.

Revenues

Filing Fees (4005): Given the impending change to LAFCO's fee structure, which takes effect on July 1, 2023, staff anticipates an increase in the filing fee revenue.

Interest Income (40008): This account is used for interest income earned for funds held in the County of Los Angeles Treasury.

Local Agency Apportionment

With respect to the assessments upon the County of Los Angeles, the City of Los Angeles, the other eighty-seven (87) cities, and the fifty-one (51) independent special districts within the County of Los Angeles, staff proposes no change to the LAFCO apportionment collected in the current fiscal year (FY 2022-23).

Staff notes that the County Auditor-Controller allocates LAFCO apportionments upon public agencies based upon annual revenues reported in each agency's Annual Report submitted to the State Controller's Office. For this reason, and because reported revenues change on an annual basis, an individual agency's apportionment may change slightly, even in years when the overall LAFCO appointment remains unchanged.

Conclusion: The Proposed Draft Budget for FY 2023-24 would allow the Commission to fulfill its purpose and statutory obligations in the upcoming fiscal year.

Going forward, however, the Commission may need to address the increasing Compensated Absences balance of long-term employees, beginning in FY 2023-24. Any time an employee separates due to retirement, or to accept a position elsewhere, LAFCO must convert any accrued leave balances to compensation. To circumvent a significant impact to a single year budget, the Commission should establish a Compensated Absences Reserve in the near future.

Staff Recommendation:

1. Open the budget hearing, receive public comments, and close the budget hearing;
2. Approve the attached Proposed Draft Budget for Fiscal Year 2023-24;
3. Pursuant to Government Code Section 56381, direct staff to forward the Proposed Budget for Fiscal Year 2023-24 to the County of Los Angeles, as well as the 88 cities and 51 independent special districts in Los Angeles County, for their comment; and
4. Set April 14, 2023, for hearing on adoption of the Recommended Final Budget for Fiscal Year 2023-24.

Enclosure: Proposed Draft Budget for Fiscal Year 2023-24 Spreadsheet

FISCAL YEAR 2023-24 PROPOSED DRAFT BUDGET

ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROJECTED YEAR END (PYE) 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Proposed FY 2023-24
*Adopted 4/13/22					
EXPENSES					
50000	Salaries and Employee Benefits				
50001	Employee Salaries	\$ 787,300	\$ 799,500	\$ 870,000	10.5%
50015	Employer Paid Pension Contribution	186,600	174,720	208,200	11.6%
50016	Accrued vacation and sick cashout	13,000	13,000	13,000	0.0%
50017	Commissioner Stipends	20,000	18,300	20,000	0.0%
50018	Worker's Compensation Insurance	10,500	8,878	11,000	4.8%
50019	Insurance (Health, Disability, Life)	139,000	148,393	148,683	7.0%
50020	Payroll Taxes	17,000	15,180	17,000	0.0%
50022	OPEB - Existing Retirees	21,000	20,316	21,000	0.0%
Total Salaries & Employee Benefits		\$ 1,194,400	\$ 1,198,287	\$ 1,308,883	9.6%
50000A	Office Expense				
50025	Rent	\$ 138,182	\$ 125,176	\$ 133,500	-3.4%
50026	Communications	10,000	10,000	10,000	0.0%
50027	Supplies	8,000	6,000	6,000	-25.0%
50029	Computer Software	6,200	8,161	8,000	29.0%
50030	Equipment lease	5,000	5,305	5,500	10.0%
50031	Employee & Guest Parking Fees	8,000	8,595	8,600	7.5%
50032	Property/Liability Insurance	20,000	20,000	22,500	12.5%
50033	Agency Membership Dues	14,156	13,521	15,200	7.4%
50040	Information Technology/Programming	9,000	10,660	10,000	11.1%
50052	Legal Notices	4,000	2,800	3,000	-25.0%
50054	Postage	4,000	3,000	3,000	-25.0%
50056	Printing/Copy Charges	4,400	2,139	3,000	-31.8%
50057	Conferences/Travel - Commissioners	10,000	7,000	10,000	0.0%
50058	Conference/Travel - Staff	10,000	15,802	10,000	0.0%
50060	Auto Reimbursement	7,000	6,708	7,000	0.0%
50061	Various Vendors	11,000	14,519	11,000	0.0%
50065	Miscellaneous - Other	7,500	5,000	7,500	0.0%
50067	Computer-Copier-Misc Equipment	2,000	2,000	2,000	0.0%
Total Office Expenses		\$ 278,438	\$ 266,386	\$ 275,800	-0.9%
50000C	Professional Services				
50076	Legal services	80,000	80,000	80,000	0.0%
50077	Accounting & Bookkeeping	20,000	20,000	20,000	0.0%
50077.2	Audit/Financial Statements	8,005	8,005	8,160	1.9%
50077.1	Payroll Service	6,000	9,190	9,000	50.0%
50078	Contract Services	5,000	-	5,000	0.0%
50081	Municipal Service Reviews	160,000	93,285	70,000	-56.3%
Total Professional Services		\$ 279,005	\$ 210,480	\$ 192,160	-31.1%
TOTAL EXPENDITURES		\$ 1,751,843	\$ 1,675,153	\$ 1,776,843	1.43%
20020	OPEB Liability - Reserves	\$ -			
Total Contingencies and Reserves Set Aside		\$ -			
Total Appropriations		\$ 1,751,843	\$ 1,675,153	\$ 1,776,843	1.4%

FISCAL YEAR 2023-24 PROPOSED DRAFT BUDGET					
ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET FY 2022-23	PROJECTED YEAR END (PYE) 2022-23	PROPOSED DRAFT BUDGET FY 2023-24	% Variance From FY 2022-23 Budget to Proposed FY 2023-24
*Adopted 4/13/22					
40000	REVENUES				
40005	Filing Fees	\$ 100,000	\$ 80,000	\$ 120,000	20.0%
40006	Processing Fees	-	-	-	-
40007	Interest Income	10,000	25,000	15,000	50.0%
40008	Other Income	-	200	-	-
	Total Revenues	\$ 110,000	\$ 105,200	\$ 135,000	22.7%
	NET OPERATING COSTS	\$ 1,641,843	\$ 1,569,953	\$ 1,641,843	0.0%
	Local Agency Apportionment				
		FY 2022-23 Final Budget Estimates*			
40001	City of Los Angeles	252,595	252,595	252,595	0.0%
40002	County of Los Angeles	631,479	631,479	631,479	0.0%
40003	Other Cities (87)	378,884	378,884	378,884	0.0%
40004	Special Districts	378,884	378,884	378,884	0.0%
	Total Local Agency Apportionment	\$ 1,641,843	\$ 1,641,843	\$ 1,641,843	0.0%

*Estimates based on FY 2021-22 Billing. Invoices for FY 2022-23 are generated by the County Auditor Controller's Office.

Staff Report

March 8, 2023

Agenda Item No. 7.c.

**Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40,
Antelope Valley**

PROPOSAL SUMMARY:

Size of Affected Territory:	6.58± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Georgia Eliopulos
Petition:	April 27, 2021
Application Filed with LAFCO:	June 1, 2021
Certificate of Filing	February 8, 2023
Location:	The affected territory is located north of Eliopulos Ranch Drive between Yianni Court and Marina Court, in the City of Palmdale.
City/County:	Palmdale
Affected Territory:	The affected territory consists of vacant land. The territory is being developed to include 6 (six) single-family homes. The topography is flat.
Surrounding Territory:	Surrounding the affected territory is vacant land.
Landowners/Real Party/ Parties of Interest:	Four (4) landowners
Registered Voters:	Zero (0) registered voters as of June 1, 2021.
Purpose/Background:	The purpose for annexation is for the district to provide water service to the affected territory.
Jurisdictional Changes:	The jurisdictional changes that result from this proposal include annexation to the Los Angeles County Waterworks District No. 40.

Within SOI:	Yes
Public Hearing:	Pursuant to Government Code § 56658(h), and upon issuing a Certificate of Filing, the Executive Officer set the proposal for public hearing and gave published notice thereof, within the required ninety (90) days.
Waiver of Protest Hearing	Pursuant to Government Code § 56663, the Commission may waive protest proceedings that would otherwise be required if all of the criteria therein have occurred. #
California Environmental Quality Act (CEQA) Clearance:	The California Environmental Quality Act (CEQA) clearance is a Mitigated Negative Declaration (MND) adopted by the City of Palmdale, as lead agency, on July 9, 2015.
Additional Information:	None

CERTIFICATE OF FILING

Pursuant to Government Code § 56020.6, a Certificate of Filing (COF) is “the document issued by the executive officer that confirms an application for a change of organization or reorganization has met submission requirements and is accepted for filing.”

Upon reviewing the proposal for completeness, and pursuant to the requirements of Government Code § 56658, the Executive Officer issued the COF to the applicant on February 8, 2023. In conjunction with the issuance of the COF, the Executive Officer set the public hearing date/date of consideration as Wednesday, March 8, 2023.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668:

a. Affected population, territory and adjacent areas:

The existing population is 0 residents as of June 1, 2021. The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 24 residents.

The affected territory is 6.58+/- acres. The affected territory consists of vacant land. The territory is being developed to include six (6) single-family homes.

The assessed valuation is \$335,000 as of March 18, 2021.

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

On October 4, 2022, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries within or adjacent to the affected territory.

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

The nearest populated area(s) is/are 100 feet to the north of the affected territory. The affected territory is likely to experience significant growth in the next ten years. The adjacent areas are likely to experience significant growth in the next ten years.

b. Governmental Services and Controls:

The affected territory will be developed to include six (6) single-family homes which require organized governmental services. The affected territory will require governmental services indefinitely.

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

c. *Proposed Action and Alternative Actions:*

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

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

d. *Conformity with Commission Policies on Urban Development and Open Space, and Conformity with Open Space Land Conversion Policies in Government Code § 56377:*

The proposal does not conflict with any Commission-adopted policies on urban development and open space conversion.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code § 56377.

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined by Government Code § 56016. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program. 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 2020-2021 Status Report).

f. *Boundaries:*

The boundaries of the affected territory have been clearly defined by the applicant, conform to lines of assessment or ownership, and have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The Los Angeles County Waterworks District No. 40, Antelope Valley is a county waterworks district. The proposed annexation to Los Angeles County Waterworks District No. 40, Antelope Valley is therefore subject to the provisions of its principal act, which is the County Waterworks District Law (Water Code § 55000 *et seq*). Pursuant to Water Code § 55800, “[a]ny portion or portions of a county containing unincorporated territory, or containing the whole or any portion of one or more incorporated cities, and not included in a district, may be added to any district.” Water Code § 55801 imposes additional requirements for annexation of territory:

“Territory within the same county but not contiguous with the district may be annexed to the district if the board determines that the district resulting from the annexation may be more efficiently and economically operated than if a separate district were formed. No parcel of noncontiguous territory which contains less than 10 acres may be annexed to any district.”

The affected territory in this proposed change of organization is contiguous with the existing boundaries of the District, and the proposal therefore complies with the contiguity provisions in Water Code § 55800.

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. Regional Transportation Plan:

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The closest highway in the RTP/SCS is State Route 14, which is approximately 2 miles from the affected territory.

h. Consistency with Plans:

The proposal is consistent with the existing City of Palmdale General Plan designation of Single Family Residential (SFR-1).

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

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

i. Sphere of Influence:

The affected territory is within the Sphere of Influence of the Los Angeles County Waterworks District No. 40, Antelope Valley.

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:

In a letter dated June 2, 2016 the wholesale water provider (Antelope Valley – East Kern Water Agency) has allocated 567 acre feet per year of permanent water supply rights for the Joshua Ranch project which includes the affected territory. On June 14, 2016, the Los Angeles County Waterworks District No. 40 - Antelope Valley indicated that it has the ability to provide water service to the affected territory once the annexation is complete.

l. Timely Availability of Water Supplies:

There are no known issues regarding water supply or delivery.

m. Regional Housing Needs:

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

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations

The proposal is consistent with the existing City of Palmdale General Plan designation of Single Family Residential (SFR-1).

The proposal is consistent with the existing City of Palmdale zoning designation of zoning designation of Single Family Residential (R-1-20,000).

p. Environmental Justice:

The proposal makes no representations on exclusions of peoples of any race, culture, income and/or national origins with respect to the location of public facilities and public services, to ensure a healthy environment for all people such that the effects of the pollution are not disproportionately borne by any particular populations or communities.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory according to data obtained and extracted from the Census Bureau of the United States Department of Commerce 2014-2018 American Community Survey (ACS). Describe if there are any DUCs.

q. Hazard Mitigation Plan:

The City of Palmdale Local Hazard Mitigation Plan 2016-2021 Update (adopted September 30, 2016) establishes the City's emergency policies and procedures in the event of a disaster and addresses allocation of resources and protection of the public in the event of an emergency.

The Safety Element of the General Plan for the County Palmdale (approved January 25, 1993) addresses reduction of the potential risk of death, injuries, and economic damages resulting from natural and man-made hazards.

The affected territory is within a Very High Fire Hazard Zone pursuant to maps published by the California Department of Forestry and Fire Protection (Cal Fire). The affected territory is not within the maps that identify State Responsibility Area. Both the County of Los Angeles All-Hazard Mitigation Plan and the Safety Element of the General Plan include information relating to mitigation and management of wildfire and fire hazard severity zones.

**ADDITIONAL FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT
CODE § 56668.3:**

a) District Annexation or City Detachment:

- The proposed action involves a district annexation.

(1) Interest in landowners/inhabitants, district annexations:

The proposed action will be for the interest of the landowners and/or present and/or future inhabitants within the district and within the affected territory.

(2) Interest in landowners/inhabitants, city detachments:

The proposed action does not involve a city detachment.

(3) Any factors which may be considered by the commission provided in Government Code § 56668:

The Commission has addressed the factors in *Government Code* § 56668, subsections (a) through (q), above.

(4) Any resolution raising objections to the action that may be filed by an affected agency:

No affected agency has filed a resolution raising objections to the proposed action.

(5) Any other matters which the commission deems material:

There are no additional matters which the commission deems material to the proposed action.

**REGIONAL GROWTH CONSIDERED PURSUANT TO GOVERNMENT
CODE § 56668.5:**

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080.

Regional growth goal and policies were a consideration of the proposed action.

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

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The CEQA clearance is a Mitigated Negative Declaration (MND) adopted by the City of Palmdale, as lead agency, on July 9, 2015 which determined the project will not have a significant effect on the environment and compliance with Mitigation Measures were made a condition of the approval. The Commission is a responsible agency pursuant to CEQA and State

CEQA Guidelines § 15096. The MND is available at www.lalafco.org and through the offices of the Los Angeles LAFCO.

PUBLIC HEARING NOTICE:

Mailed Notice: LAFCO is required to provide notice of the public hearing to “landowners and registered voters within the affected territory” and to “all landowners and registered voters within 300 feet” of the affected territory pursuant to Government Code § 56157(d) and (f); notice “shall be sent first class and deposited, postage prepaid, in the United States mails” pursuant to Government Code § 56155; and notice “shall be mailed at least 21 days prior to the date specified in the notice for hearing” pursuant to Government Code § 56156.

Newspaper Notice: LAFCO is required to provide notice of the public hearing “in one or more newspapers of general circulation within each affected county, affected city, or affected district,” pursuant to Government Code § 56153, and notice “shall be commenced at least 21 days prior to the date specified in the notice for the public hearing,” pursuant to Government Code § 56154. LAFCO published a hearing notice in the Daily Commerce on February 8, 2023.

All requirements for the public hearing notice have been satisfied.

WAIVER OF PROTEST PROCEEDINGS:

Pursuant to Government Code § 56663, the Commission may waive protest proceedings if all of the following have occurred: 1) mailed notice pursuant to Government Code § 56157 has been given to landowners and registered voters within the affected territory; 2) the mailed notice discloses the potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the City and/or District in the affected territory; 3) the mailed notice discloses that unless written opposition to the proposal is received before the conclusion of the Commission proceeding on the proposal, the Commission intends to waive protest proceedings; and 4) no written opposition to the proposal from landowners or registered voters within the affected territory is received before the conclusion of the Commission proceedings on the proposal.

All criteria have been met for the Commission to waive protest proceedings; however should written opposition be received by the Commission prior to the conclusion of the Commission proceeding, the matter should be referred to staff to schedule protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Los Angeles County Waterworks District No. 40, Antelope Valley which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

RECOMMENDED ACTION:

1. Open the public hearing and receive testimony on the annexation;
2. There being no further testimony, close the public hearing; and
3. There being no written opposition submitted by the landowners or registered voters within the affected territory before the conclusion of this hearing on the proposal, waive the protest proceedings pursuant to Government Code § 56663 and Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley.

**RESOLUTION NO. 2023-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 2021-02 TO THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,
ANTELOPE VALLEY"**

WHEREAS, Georgia Eliopulos ("landowner" or "Applicant") submitted a petition for proceedings, 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 § 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the Los Angeles County Waterworks District No. 40, Antelope Valley (District), all within the City of Palmdale (City); and

WHEREAS, the proposed annexation consists of approximately 6.58± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley"; 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 water service; and

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

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to Government Code §§ 56150-56160, 57025, and 57026, wherein the public hearing notice was

published in a newspaper of general circulation in the County of Los Angeles on February 8, 2023, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, in accordance with Government Code § 56663, mailed notice pursuant to Government Code § 56157 has been given to landowners and registered voters within the affected territory; and the mailed notice discloses that: 1) the potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the City and/or District in the affected territory, and 2) unless written opposition to the proposal is received before the conclusion of the Commission proceeding on the proposal, the Commission intends to waive protest proceedings; and

WHEREAS, on March 8, 2023, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral and written testimony, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of accepting any written opposition to the proposal and either, waive protest proceedings entirely, pursuant to Government Code § 56663, if no written opposition was received, or pursuant to Government Code § 57002, set the protest hearing for April 12, 2023 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Acting in its role as a responsible agency with respect to Annexation No. 2021-02 to the Angeles County Waterworks District No. 40, Antelope Valley, pursuant to State CEQA Guidelines § 15096, the Commission considers the Mitigated Negative Declaration prepared and adopted by the City of Palmdale, as lead agency, on July 9, 2015, together with any comments received during the public review process; certifies that the Commission has independently reviewed and considered and reached its own conclusions regarding the environmental effects of the project as shown in the Mitigated Negative Declaration; and adopts the Mitigation Monitoring Program and Compliance Record for the project, finding that the Mitigation Monitoring Program and Compliance Record is adequately designed to ensure compliance with the mitigation measures during project implementation as applicable to the responsible agency.
2. The Commission finds the number of written opposition filed by landowners and registered voters is ____.
3. Mailed notice has been provided pursuant to Government Code § 56663 on February 8, 2023.
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 6.58± acres, is uninhabited, and is assigned the following short form designation: "Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope Valley".

6. Annexation No. 2021-02 to the Los Angeles County Waterworks District No. 40, Antelope

Valley is hereby approved, subject to the following terms and conditions:

- a. The landowner 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 of the Certificate of Completion with the Los Angeles County Registrar-Recorder/County Clerk.
- c. Recordation of the Certificate of Completion shall not occur prior to the conclusion of the 30-day reconsideration period provided under Government Code § 56895.
- d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this change of organization/reorganization, will result in the change of organization/reorganization being terminated pursuant to Government Code §57001 unless, prior to expiration of that year, the Commission authorizes an

extension of time for that completion.

- e. 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.
- f. The regular County assessment roll shall be utilized by the District.
- g. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
- h. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
- i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and the State of California Board of Equalization. If LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.
- j. Except to the extent in conflict with "a" through "i", 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 § 57325) shall apply to this annexation.

7. Pursuant to Government Code § 56663, the Commission finds that all the following have occurred: 1) mailed notice pursuant to Government Code § 56157 has been given to landowners and registered voters within the affected territory; 2) the mailed notice discloses the potential for the extension or continuation of any previously authorized

charge, fee, assessment, or tax by the City and/or District in the affected territory; 3) the mailed notice discloses that unless written opposition to the proposal is received before the conclusion of the Commission proceeding on the proposal, the Commission intends to waive protest proceedings; and 4) no written opposition to the proposal from landowners or registered voters have been submitted before the conclusion of the proceeding/hearing. Therefore, pursuant to Government Code § 56663, the Commission hereby waives protest proceedings.

8. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Los Angeles County Waterworks District No. 40, Antelope Valley.
9. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code § 56882.
10. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the Applicant's payment of the applicable fees required by Government Code § 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code § 57200, *et seq.*
11. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

PASSED AND ADOPTED this 08th day of March 2023.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

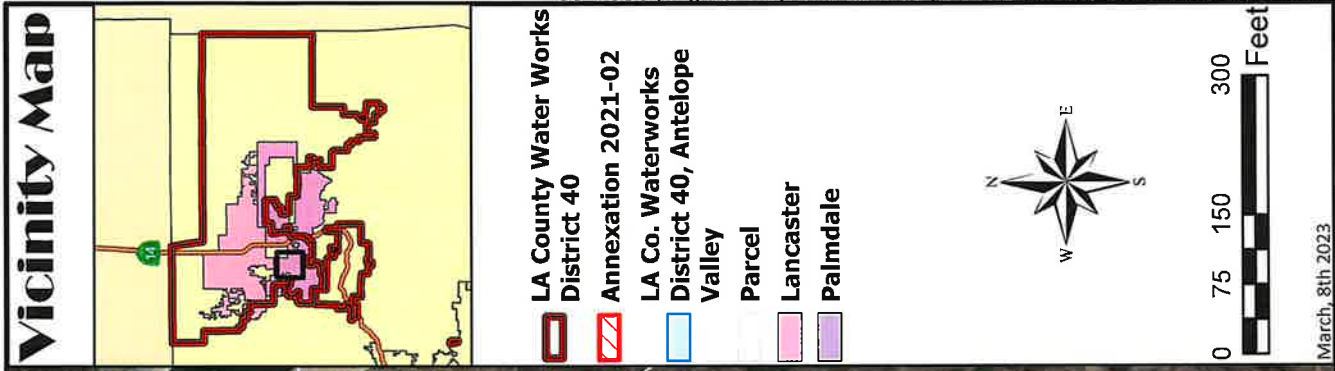
ABSENT:

MOTION PASSES: 0/0/0

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

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

Annexation 2021-02 to LA Co. WWD 40, Antelope Valley



Staff Report

March 8, 2023

Agenda Item No. 9.a.

FY 2022-23 Mid-Year Budget Status Report (Rescheduled from the cancelled February 8, 2023 Meeting)

Summary: In accordance with Government Code Section 56381, and prior to the statutory requirement of June 15th, the Commission adopted a budget for FY 2022-23 on April 13, 2022. Consistent with prior years, staff herein presents a summary of budgetary revenues and expenses through the middle of the fiscal year, as well as projections for the end of the current fiscal year (FY 2022-23 ends on June 30, 2023).

This mid-year budget status report incorporates recent expenditure changes to provide an overview of the projected year-end position in comparison to the adopted budget. Although there are individual budget categories where expenditures are expected to be slightly above budget, staff anticipates that total 2022-23 expenditures will be approximately 4.4% below the Commission adopted budget. This is largely due to projected year-end savings in several areas (rent, and professional services), as described in more detail below.

Should projections bear out, at the end of Fiscal Year 2022-23 (June 30, 2023) and anticipating that a modest portion of revenues received will be below the adopted budget, a savings of approximately \$77,000, or 4.4%, will become available for next year's budget (FY 2023-24), to be considered by the Commission in March and April of this year.

The following narrative description of the budget categories identifies significant variations from the adopted budget, followed by a spreadsheet providing details on all expenditure and revenue categories.

Expenditures:

Salaries and Employee Benefits: *The Salaries and Employee Benefits are expected to be slightly above the adopted budget by 0.3%.*

Employee Salaries (50001): Cost of living increases were higher than anticipated in the adopted budget; combined with merit increases awarded to staff, employee salaries are slightly above what was anticipated in the adopted budget by, 1.5%.

Retirement (50015): As a LACERA participatory agency, LAFCO is subject to employer contribution rate increases. These rates are a percentage of salaries. During the current fiscal year, LACERA increased employer contribution rates by one quarter of a percent. This expense category is, nevertheless, slightly below budget projections since the adopted budget included an estimated one (1%) percent increase in the employer pension contributions.

OPEB—Existing Retiree (50022): This account reflects existing LAFCO retirees' other post-employment benefits (OPEB), which include the portion of benefits paid by LAFCO.

Office Expenses: *Office Expenses are projected to be below budgeted levels by 4.3%.*

Rent (50025): In June of 2021, the Commission approved a lease extension for LAFCO's current office space at 80 South Lake Avenue in Pasadena. The lease extension provided a three-month rent abatement (for the months of December 2021, January 2022, and February 2022) and a credit of common area charges through December of 2022, the latter of which results in a projected year-end cost savings.

Printing/Copy Charges (50056): A significant portion of expenses in this account are copy charges. Since the Commission met virtually for the first half of the fiscal year, staff did not print hard copies of staff reports.

Conferences/Travel—Commissioners (50057) and Conferences/Travel—Staff (50058): These accounts include budgeted expenses for anticipated commissioner and staff attendance at CALAFCO Conferences, Workshops, and University Sessions, as well as mileage reimbursements. In fall of 2022, CALAFCO successfully hosted its first annual conference since 2019, due to the COVID-19 pandemic. Most of staff, counsel and two Commissioners attended the annual conference. Projected year end expenses include participation in the Staff Workshop in April of 2023. As a result, combined expenses in 50057 and 50058 are expected to above budget. Although the current fiscal year expenses are higher than anticipated, cost savings were achieved in these categories in the prior two fiscal years when no conferences nor staff workshops were scheduled.

Various Vendors (50061): This account includes charges from private vendors providing services to LAFCO on a regular basis. Payments for off-site storage are posted to this account. Staff is undergoing a project to inventory and purge unnecessary files located at this storage facility, which requires additional retrieval and delivery of files; in addition, the monthly charge increased by approximately 30%, causing projected year end expenses to be estimated above the budgeted amount by 32%. Since this is a relatively small line-item, the impact of these increase expenditures is modest.

Miscellaneous—Other (50065): This account includes charges by the County of Los Angeles for the use of the Board room, County services such as County Assessor fees, monthly bank charges, and other miscellaneous charges. At mid-year, expenses in this account are minimal.

Computer-Copier-Misc. Equipment (50067): This account is used as a placeholder to replace computer equipment such as monitors, printers, and keyboards. Staff purchases new computer equipment at the recommendation of LAFCO's IT consultant; due to the varying ages of existing equipment, the timing and actual costs vary from year-to-year.

Professional Services: *Professional Services are expected to be below budget by 24.6%.*

Legal Services (50076): LAFCO utilizes County Counsel for legal services. The amount budgeted is consistent with the amount charged in prior years. The amount listed in the attached spreadsheet reflects counsel invoices billed through December of 2022.

Payroll Service (50077.1): LAFCO uses an outside vendor for payroll services. Charges to this account are for inputting time, processing payroll and generating checks. Staff is in the process of transitioning from one payroll service to another and in the interim maintaining two payroll systems.

Contract Services (50078): A placeholder was included in the annual budget for contract services, which we anticipate will not be utilized during the current fiscal year.

Municipal Service Reviews (50078): The Commission authorized staff to contract for municipal service reviews for multiple cities. The cost for the preparation of service reviews was lower than budgeted, resulting in cost saving of over 41%.

Expenditure Summary:

In summary, it is anticipated that the total expenditures will be approximately 4.4% below budgeted expenditures of \$1,751,843, mostly related to cost savings in rent and professional services.

Revenues:

At mid-year, fee revenues are significantly lower than the budgeted amount by approximately 61%. Although staff works with applicants prior to the filing of proposals, fee generating revenue is always an estimate, and actual filings are entirely outside of LAFCO's control. Conversely, interest earnings are currently above budget due to an increase of earning rates, which have returned to 2019 levels. The combination of higher than anticipated interest earnings and fee revenue projected at 20% below budget, the overall revenue category is expected to be less than budgeted revenues by 4.4%. Again, depending on the actual number of proposals filed, the actual amount at fiscal year-end in June may change considerably. This decrease in filing fees, processing fees, interest income, and other revenues—all of which are unpredictable from year to year—will, have a modest impact on the overall FY 2022-23 budget by the end of the current fiscal year. Should the Commission approve the proposed new filing fee schedule, the fee increase would not take effect until July 1st, 2023, potentially resulting in applicants filing applications in advance, thereby increasing filing fee revenue in the current fiscal year.

Local Agency Apportionment:

The Los Angeles County Auditor Controller has collected 100% of the FY 2022-23 local agency apportionment from local agencies in Los Angeles County (assessments collected from the County of Los Angeles, the cities of Los Angeles County, and the independent special districts of Los Angeles County).

Recommended Action:

1. Receive and file the Mid-Year Budget Status Report for FY 2022-23.

FISCAL YEAR 2022-23 MID-YEAR BUDGET STATUS

ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET 2022-23	MID YEAR BUDGET STATUS 2022-23	PROJECTED YEAR END (PYE) 2022-23	Mid Yr % Variance From FY 2022-23 Adopted	PYE % Variance From FY 2022-23 Adopted
*Adopted 4/13/22						
EXPENSES						
50000	Salaries and Employee Benefits					
50001	Employee Salaries	\$ 787,300	\$ 400,349	\$ 799,500	-49.1%	1.5%
50015	Employer Paid Pension Contribution	186,600	87,360	174,720	-53.2%	-6.4%
50016	Accrued vacation and sick cashout	13,000	-	13,000	-100.0%	0.0%
50017	Commissioner Stipends	20,000	6,600	18,300	-67.0%	-8.5%
50018	Worker's Compensation Insurance	10,500	8,878	8,878	-15.4%	-15.4%
50019	Insurance (Health, Disability, Life)	139,000	145,890	148,393	5.0%	6.8%
50020	Payroll Taxes	17,000	7,590	15,180	-55.4%	-10.7%
50022	OPEB - Existing Retirees	21,000	10,158	20,316	-51.6%	-3.3%
Total Salaries & Employee Benefits		\$ 1,194,400	\$ 666,825	\$ 1,198,287	-44%	0.3%
50000A	Office Expense					
50025	Rent	\$ 138,182	\$ 59,602	\$ 125,176	-56.9%	-9.4%
50026	Communications	10,000	4,782	10,000	-52.2%	0.0%
50027	Supplies	8,000	2,451	6,000	-69.4%	-25.0%
50029	Computer Software	6,200	3,046	8,161	-50.9%	31.6%
50030	Equipment lease	5,000	2,965	5,305	-40.7%	6.1%
50031	Employee & Guest Parking Fees	8,000	4,410	8,595	-44.9%	7.4%
50032	Property/Liability Insurance	20,000	-	20,000	-100.0%	0.0%
50033	Agency Membership Dues	14,156	13,521	13,521	-4.5%	-4.5%
50040	Information Technology/Programming	9,000	5,330	10,660	-40.8%	18.4%
50052	Legal Notices	4,000	1,400	2,800	-65.0%	-30.0%
50054	Postage	4,000	1,330	3,000	-66.8%	-25.0%
50056	Printing/Copy Charges	4,400	324	2,139	-92.6%	-51.4%
50057	Conferences/Travel - Commissioners	10,000	5,642	7,000	-43.6%	-30.0%
50058	Conference/Travel - Staff	10,000	10,302	15,802	3.0%	58.0%
50060	Auto Reimbursement	7,000	3,354	6,708	-52.1%	-4.2%
50061	Various Vendors	11,000	6,839	14,519	-37.8%	32.0%
50065	Miscellaneous - Other	7,500	1,880	5,000	-74.9%	-33.3%
50067	Computer-Copier-Misc Equipment	2,000	1,583	2,000	-20.9%	0.0%
Total Office Expenses		\$ 278,438	\$ 128,762	\$ 266,386	-53.8%	-4.3%
50000C	Professional Services					
50076	Legal services	80,000	49,394	80,000	-38.3%	0.0%
50077	Accounting & Bookkeeping	20,000	11,523	20,000	-42.4%	0.0%
50077.2	Audit/Financial Statements	8,005	8,005	8,005	0.0%	0.0%
50077.1	Payroll Service	6,000	4,595	9,190	-23.4%	53.2%
50078	Contract Services	5,000	-	-	-100.0%	-100.0%
50081	Municipal Service Reviews	160,000	60,162	93,285	-62.4%	-41.7%
Total Professional Services		\$ 279,005	\$ 133,679	\$ 210,480	-52.1%	-24.6%
TOTAL EXPENDITURES		\$ 1,751,843	\$ 929,266	\$ 1,675,153	-47.0%	-4.4%
20020	OPEB Liability - Reserves	\$ -				
Total Contingencies and Reserves Set Aside		\$ -				
Total Appropriations		\$ 1,751,843	\$ 1,596,091	\$ 1,675,153	-8.9%	-4.4%

FISCAL YEAR 2022-23 MID-YEAR BUDGET STATUS

ACCT. #	ACCOUNT NAME	ADOPTED FINAL BUDGET 2022-23	MID YEAR BUDGET STATUS 2022-23	PROJECTED YEAR END (PYE) 2022-23	Mid Yr % Variance From FY 2022-23 Adopted	PYE % Variance From FY 2022-23 Adopted
*Adopted 4/13/22						
40000	REVENUES					
40005	Filing Fees	\$ 100,000	\$ 39,000	\$ 80,000	-61.0%	-20.0%
40006	Processing Fees	-	-	-	-	-
40007	Interest Income	10,000	17,443	25,000	74.4%	150.0%
40008	Other Income	-	146	200		
	Total Revenues	\$ 110,000	\$ 56,589	\$ 105,200	-48.6%	-4.4%
	NET OPERATING COSTS	\$ 1,641,843	\$ 1,539,502	\$ 1,569,953	-6.2%	-4.4%
Local Agency Apportionment		FY 2022-23 Final Budget Estimates*				
40001	City of Los Angeles	252,595	252,595	252,595	0.0%	0.0%
40002	County of Los Angeles	631,479	631,479	631,479	0.0%	0.0%
40003	Other Cities (87)	378,884	378,884	378,884	0.0%	0.0%
40004	Special Districts	378,884	378,884	378,884	0.0%	0.0%
	Total Local Agency Apportionment	\$ 1,641,843	\$ 1,641,843	\$ 1,641,843	0.0%	0.0%

*Estimates based on FY 2021-22 Billing. Invoices for FY 2022-23 are generated by the County Auditor Controller's Office.

Staff Report

March 8, 2023

Agenda Item No. 9.b.

FY 2022-23 Mid-Year Investment Report (Rescheduled from the cancelled February 8, 2023 Meeting)

Background: Commission funds are held in three accounts: an operating account, an operating reserve account in the County Treasury, and a separate government entity bank account used to pay the Commission's monthly operating expenses. The County Auditor-Controller collects the LAFCO apportionment, consistent with Government Code Section 56381.6, which is deposited into the Commission's operating account. Each month, funds are transferred from the operating account to the Commission's government entity bank account to pay the Commission's operating expenditures, consistent with Commission-approved appropriations.

Commission funds held in the County Treasury accrue interest. All interest earnings are included in the Commission's budget under Interest Income (40007).

In addition, in May of 2018, the Commission established an Other-Post-Employment-Benefits (OPEB) Trust fund to reduce its unfunded OPEB liability. LAFCO funds for its OPEB liability are held in the California Public Employees' Retirement System (CalPERS)—California Employers' Retirement Benefit Trust (CERBT) Fund. While the funds held in CERBT do not accrue interest, per se, the balance in the CERBT account fluctuates, based upon the earnings of CERBT's investments.

This report identifies the mid-year status of investment earnings as well as the status of LAFCO's holdings in the CERBT account.

Interest Earnings:

Consistent with the Investment Policy (adopted by the Commission in 2017), staff provides the Commission with periodic reports on the status of investment income.

The average earning rate for those funds held in the County Treasury had declined steadily since 2020 and bottomed out at 0.48% in March of 2021 (FY 2020-21). An upward interest rate earnings trend began in January of 2022. At the beginning of the current fiscal year, the average earning rate was at 1.15%. As of December 31, 2022, the earning rate was 3.15%. Interest income accrued since the beginning of the fiscal year through the most recent Monthly Report of Investments is approximately \$17,400. Projected year-end interest income is expected to be significantly above the amount approved in the Commission's annual budget for FY 2022-23 by approximately 150%, or \$15,000. As noted separately (in the Mid-Year Budget Status Report, Agenda Item 9.a.), staff projects that investment income at the end of the current fiscal year

(June 30, 2023) will be \$25,000, whereas the amount projected in the adopted budget is \$10,000.

CERBT investment earnings for the current fiscal year have accrued at a net return of 0.17%. At the beginning of the fiscal year, the CERBT balance was \$610,301. As of the writing of this staff report, January 25, 2023, the CERBT account balance is \$630,568.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Mid-Year Investment Report.

Staff Report

March 8, 2023

Agenda Item No. 9.c.

Procurement and Reporting Policy Annual Report for 2022 (Rescheduled from the Cancelled February 8, 2023 Meeting)

On May 8, 2019, the Commission adopted a Professional Services Procurement and Reporting Policy (Policy), a copy of which is attached. Consistent with Section 4 of the Policy, staff hereby submits an annual report to the Commission, which documents contracts/agreements with outside contractors and vendors for Calendar Year 2022.

As identified in the enclosed spreadsheet, there are two new vendors in 2022: one, a contract renewal with Quadient (formerly Neopost) for a new postage machine; and two, a new contract executed with Paychex, a payroll services vendor (successor to ADP, the previous vendor).

Pursuant to the Policy and today's Commission action, the Annual Report will be posted to the LAFCO website.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Procurement and Reporting Policy Annual Report for 2022.

Attachments:

- Procurement and Reporting Policy
- Procurement and Reporting Policy Annual Report for 2022

Procurement and Reporting Policy
Adopted May 8, 2019

This policy shall apply to all contracts entered into by the Local Agency Formation Commission for the County of Los Angeles (LAFCO), as authorized by Government Code §§ 56375 (j), 56375(k), and 56380 which authorize the Commission to appoint and assign staff personnel, to employ or contract for professional or consulting services, and to incur usual and necessary expenses to carry out and effect the functions of the Commission and to make its own provision for necessary quarters, equipment and supplies.

This policy is intended to ensure that LAFCO practices ethical, responsible, and reasonable procedures relative to purchasing, financial commitments, contracts, and the hiring of consultants. This policy identifies the procedures which LAFCO will adhere to in the performance of its designated responsibilities, and it is intended to provide for a cost-effective use of public resources, including funds and staff time. This policy applies to LAFCO's contracting practices prospectively, after adoption of the policy by the Commission.

1. Commission Approval

Execution and award of contracts, agreements, and memoranda of understanding (collectively referred to as contracts) that exceed \$10,000, including but not limited to the those for the following types of services shall require Commission approval:

- Preparation of annual audits (this may be awarded in contracts for multiple years, and in concert with other LAFCOs);
- Municipal Service Reviews (MSRs), special studies, and/or equivalent;
- Lease(s), or lease extensions, for office space;
- Primary legal counsel and as-needed alternate counsel;
- Provider(s) of insurance, including employee medical/dental, property/liability, and workers compensation insurance coverage; and
- Provider(s) of employee pension coverage.

Contracts that require Commission approval shall utilize a competitive solicitation process in a form determined by the Executive Officer and approved by LAFCO legal counsel. Prior Commission authorization to release the solicitation is not required.

2. Delegated Authority:

The Commission hereby delegates authority to the Executive Officer to solicit, approve and execute contracts for goods, materials and services that do not exceed \$10,000 and are consistent with the authority provided by Government Code §§ 56375 and 56380. It is expected that this will include, but is not limited to, the following: computer equipment, (including desktop and laptop computers, printers, routers, servers, wireless networks, and similar and related products); miscellaneous services/leases (cell phone(s), postage meter, and plant service); and any other service or product not to exceed \$10,000. Notwithstanding the above, the Commission delegates authority to the Executive Officer to purchase and/or contract for legal advertising (public notice), routine information

Delegated Authority (continued):

technology services, and accounting/bookkeeping services, which exceed \$10,000, provided that these costs are documented in the annual budgets adopted by the Commission, identified in the Mid-Year Budget Report, and listed in the "Procurement and Reporting Policy Annual Report" identified in Section 4, below.

The Executive Officer is authorized to designate the Deputy Executive Officer ("DEO") as his or her designee for all delegated authority herein. In the absence or unavailability of the Executive Officer, the Commission hereby delegates the foregoing authority to the DEO.

Delegated authority for contracts that are estimated to exceed \$5,000 shall utilize a competitive solicitation process in a form determined by the Executive Officer and approved by LAFCO legal counsel.

3. Emergency Authority

In the event of an emergency issue, as determined by the Executive Officer in consultation with the Commission Chair (or, if unavailable, with the Commission First Vice-Chair or Commission Second Vice Chair); when equipment, materials or services are required to protect the health, welfare and safety of the Commission or staff, and the cost exceeds the delegated authority of the Executive Officer; the Executive Officer shall receive approval of the Commission Chair (or, if unavailable, with the Commission First Vice-Chair or Commission Second Vice Chair); to award a contract and waive the requirements to conduct a competitive solicitation process. The Executive Officer shall notify the Commission either in writing or in a report at the next available Commission Meeting.

4. Reporting Requirements:

Staff shall prepare a written "Procurement and Reporting Policy Annual Report" ("Report") and agendaize the same at a Commission meeting in the first quarter of each calendar year. The Report shall list all outside service providers, and shall include, but not be limited to, the name of the provider; the service/product provided; and the status/term of any contracts, leases, or equivalent.

The Report shall be prepared annually and posted to the LAFCO website. The most recent five (5) years of Reports shall be maintained in the "Transparency" section of the LAFCO website.

5. Conflict(s) of Interest:

LAFCO shall avoid real or potential conflicts of interest in its contracting practices. Contracts shall not be entered into with members of the Commission, LAFCO employees, and vendors in which Commissioners or LAFCO employees have a financial or ownership interest. This provision extends to those who within the immediately preceding 12 months were Commission members or employees of LAFCO who participated in the area of service performed or developing the contract or its service specifications.

Procurement and Reporting Policy Annual Report for 2022
March 8, 2023

<i>Contracts in place prior to Calendar Year 2023</i>				
Provider	Service/Product	Status	Annual Cost	Comment(s)
County Counsel	Legal services	No contract	\$91,705	LAFCO has used County Counsel for legal services for decades. Costs are reported annually, and approved by the Commission during the LAFCO budget process. There is no significant anticipated cost savings with an alternate provider. This report reflects the annual costs for FY 2020-2021 (July 1, 2020 through June 30, 2021).
Eide Bailly (Formerly Platinum Consulting Group (PCG))	Accounting, Budgeting, and Bookkeeping	No contract	\$20,000	Eide Bailly purchased PCG and absorbed its staff. Like PCG, Eide Bailly specializes in providing services to small governmental agencies, including many special districts and Orange LAFCO. Costs are reported annually and approved by the Commission during the LAFCO budget process. Eide Bailly offers a range of services (accounting, bookkeeping, and budgeting) suited to LAFCO's needs.
Joint Powers Risk and Insurance Management Authority (JPRIMA)	Property/Liability Insurance	Policy is renewed annually	\$20,134	In 2020, staff solicited bids from JPRIMA and SDRMA. JPRIMA was the responsive bidder with the lower price; JPRIMA represents a significant cost savings over any other available insurance provider. JPRIMA and SDRMA provide property/liability insurance to most LAFCOs; no other available insurance provider provides LAFCO with the same level of coverage for equivalent premiums.
Special District Risk Management Authority (SDRMA)	Workers Compensation Insurance	Policy is renewed annually	\$8,127	Commission-approved annual LAFCO budgets reflect anticipated premium increases. Workers Compensation premium is based upon total annual payroll. In 2020, staff solicited bids from JPRIMA and SDRMA. SDRMA was the responsive bidder with the lower price, and SDRMA represents a significant cost savings over any other available insurance provider. No other available insurance provider provides LAFCO with the same level of coverage for equivalent premiums.
Davis Farr LLP	Annual Audit Services	Contract	\$8,005	Commission awarded a contract for auditing services with Davis Farr on 1/13/2021 through a competitive RFP process involving five LAFCOs (Imperial, Los Angeles, Orange, Riverside, and San Bernardino) to secure lower bids and cost-savings. The contract includes FYs 2020-21 through 2023-2024 with an option to extend one year.
CTS	Computer Maintenance	No contract	\$10,140	LAFCO has used CTS for computer consulting for more than a decade. Staff is comfortable with the quality and service provided by CTS. Annual billing is reasonably consistent with legal costs incurred by similar LAFCOs (Orange and Riverside). There is no significant anticipated cost savings with an alternate provider.
AT&T	Cell Phones & Tablet	Agreement	\$3,600	LAFCO has used AT&T for wireless phones for more than a decade. AT&T provides good coverage, and its rates are comparable to other providers. There is no significant anticipated cost savings with an alternate provider. Any time a device is upgraded, a new contract is entered into with AT&T for a term of approximately two years. Current contracts are set to expire in October of 2023.
CALPERS/CERBT	OPEB Trust Fund	Agreement	\$500	Commission approved an agreement with the California Employer's Retiree Benefit Trust Fund (CERBT) Division of the California Public Employees' Retirement System (CalPERS) on 5/9/2018; there is no expiration date.
Los Angeles County Employee Retirement Association (LACERA)	Employee/Retiree Pension	Memorandum of Understanding (MOU)	N/A (See Comments)	Commission approved the MOU with LACERA on 11/15/2017; the MOU has no expiration date. LAFCO employees were enrolled in LACERA at the time of LAFCO's separation from the County of Los Angeles in 2001. Employer and employee contributions vary by employee. No alternate vendor provides LAFCO with comparable pensions for equivalent employer and employee contributions.
County of Los Angeles	Employee Medical and Dental Insurance	Memorandum of Understanding (MOU)	N/A (See Comments)	Commission approved the MOU with the County of Los Angeles on 10/11/2017. Rates vary by employee/plan. Rates are reported annually, and approved by the Commission during the LAFCO budget process. No alternate vendor offers LAFCO the same level of coverage for equivalent premiums.
Los Angeles County Employee Retirement Association (LACERA)	Retiree Medical/Dental Insurance Benefits Administration	Memorandum of Understanding (MOU)	N/A (See Comments)	The Commission approved the MOU with LACERA on 11/15/2007; the MOU has no expiration date. Employees were enrolled in LACERA at the time of LAFCO's separation from L.A. County in 2001. Employer and employee contribution rates vary by employee. No alternate vendor provides LAFCO with comparable pensions for equivalent employer and employee contributions.
Yvonne Green	CPA	Agreement	~\$4,200	Yvonne Green has been providing accounting services to LAFCO for approximately four years as a contract staff for Platinum Consulting Group (PCG). When PCG was absorbed by Eide Bailly, LAFCO hired Ms. Green directly, at a lower hourly rate. Ms. Green processes bill payments and reconciles LAFCO's bank statements. She works closely with Staff and Eide Bailly.
TRPF 80 SOUTH LAKE AVENUE LP	Office Lease	Lease	\$118,611	The Commission approved a lease extension on June 9, 2021; the lease extension will expire on 02/28/2027. The approved lease includes annual scheduled rent increases of approximately three-percent (3%).

LA LAFCO Professional Services Agreements Summary Annual Report for 2022 (continued)

March 8, 2023

Provider	Service/Product	Status	Annual Cost	Comment(s)
Total Compensation Systems, Inc. (TCS)	Actuarial Valuation Report	Contract	\$2,600	Work is nearing completion. The Government Accounting Standards Board (GASB) requires LAFCO to prepare a valuation every three (3) years. Consistent with Section 2 of the Procurement and Reporting Policy ("Delegated Authority," contracts of \$10,000 or less), the EO and TCS Inc's president executed the contract on October 28, 2020. For the 2021 FY, TCS will be preparing a update to the FY 2020 valuation.
Canon Financial Services, Inc. (CFS)	Canon Photocopier	Lease	\$2,368	On November 10, 2021, the Commission authorized the Executive Officer to enter into a lease agreement for photocopying services. Negotiations have commenced, and the lease agreement is currently under review by legal counsel.
Quadient (Formerly Neopost)	Postage Meter	Lease	\$2,005	After evaluating alternative three bids, and consistent with Section 2 of the Procurement and Reporting Policy ("Delegated Authority," contracts of \$10,000 or less), the Executive Officer executed a lease renewal, effective January 2022, for a period of five years.
Paychex	Payroll Services	Contract	~\$6,000	Consistent with the Commission's Procurement and Reporting Policy, the Executive Officer is Delegated Authority to execute contracts of \$10,000, or less. In June of 2022, the EO and DEO executed a contract with Paychex to accommodate the retirement/pension contribution needs of the Commission.

Staff Report

March 8, 2023

Agenda Item No. 9.d.

Alternate Public Member Recruitment (Rescheduled from the cancelled February 8, 2023 Meeting)

Government Code Section 56326(f) states that the “other members of the commission may also appoint one alternate” public member [emphasis added]. The Alternate Public Member may serve and vote in place of the regular Public Member when that member is absent or disqualifies himself or herself from participating in a Commission meeting.

Until recently, the Alternate Public Member was David Lesser, who was serving a four-year term that would expire in May of 2024. Mr. Lesser submitted a resignation letter, on December 5, 2022, indicating that he was elected to the Manhattan Beach City Council on December 13, 2022.

Government Code Section 56331 prohibits “an officer or employee of the county or any city or district with territory in the county” from serving as a public member or alternate public member. Upon becoming a Manhattan Beach City Councilmember, Mr. Lesser became an “officer or employee” of the City of Manhattan Beach and became ineligible to serve as the Alternate Public Member of the Commission.

The remaining term of office for Alternate Public Member expires on May 1, 2024. Thereafter, the term of office is four (4) years, with no restrictions against the incumbent seeking re-appointment.

At the January 11, 2023 meeting, the Commission directed the Executive Officer to post and publicize the Alternate Public Member vacancy.

Staff conducted the following outreach:

- The Notice of Vacancy was posted on the Commission's website on Wednesday, January 11, 2023;
- A press release was issued on Wednesday, January 11, 2023 announcing the vacancy and distributed to media organizations by the County;
- Copies of the Notice of Vacancy were e-mailed on Thursday, January 12, 2023 to representatives of:
 - The County of Los Angeles; the Cities, and Independent Special Districts in Los Angeles County;
 - Members of Los Angeles City’s Neighborhood Councils; and

- Southern California Association of Governments (“SCAG”) and the regional Councils of Governments (“COGs”).
- Copies of the Notice of Vacancy were sent via U.S. Mail on Thursday, January 12, 2023 to the representatives of:
 - Town Councils within unincorporated territory; and
 - Chambers of Commerce.
- A copy of the Notice of Vacancy was posted at all County libraries on Monday, January 30, 2023.

The deadline to submit an application to the LAFCO office is 5:00 p.m. on Monday, March 13, 2023. As of the drafting of this staff report, staff has received ten (10) applications to fill the vacancy for the Alternate Public Member.

Recommended Action:

- Authorize the Chair, on Wednesday, March 8, 2023, to appoint four (4) members to an Ad Hoc Committee of the Commission to screen the initial round of applicants;
- Direct staff to agendize the Ad Hoc Committee to identify Alternate Public Member finalists and to make recommendations for a group of no more than eight (8) finalists for consideration by the Commission;
- Direct staff to agendize the interview of finalists for the regular meeting of the Commission on Wednesday, April 12, 2023; and
- Appoint an Alternate Public Member at the regular meeting of the Commission on Wednesday, May 10, 2023.

Staff Report

March 8, 2023

Agenda Item No. 9.e.

Commissioner Request to Participate Remotely (Rescheduled from the Cancelled February 8, 2023 Meeting)

A new law (AB 2449), which took effect on January 1, 2023, allows members of legislative bodies (including LAFCO commissioners) to participate remotely (virtually) under certain, limited circumstances. A commissioner may request remote participation in advance, or at the start of a Commission meeting, for just cause or due to emergency circumstances. Commissioner Margaret Finlay (City Voting Member and Commission Second Vice Chair) has requested that the Commission find that, due to just cause, she be allowed to participate in two (2) Commission meetings virtually (today, March 8th, and May 10th). Staff and legal counsel have reviewed the entirety of AB 2449, and they are comfortable that LAFCO meets all legal requirements to accommodate this remote participation for up to two (2) meetings (see discussion, below).

AB 2449 allows a member of a legislative body to participate virtually, so long as the member “notifies the legislative body at the earliest opportunity possible, including the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting.” AB 2449 defines the term “just cause” as any of the following: “a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner . . . a contagious illness . . . a need related to a physical or mental disability . . . or travel while on official business of the legislative body.”

AB 2449 allows a member of a legislative body to participate virtually, in the event of an emergency circumstance, which is defined as a “physical or family medical emergency that prevents a member from attending in person.”

A member may not participate remotely for “more than three consecutive months or twenty 20 percent of the regular meetings of a local agency within a calendar year.” Presuming eleven (11) regular meetings of the Commission in 2023, the “twenty-percent” requirement for LAFCO would be 2.2 meetings, or in practical effect, two meetings.

Commissioner Finlay has a schedule conflict for two (2) upcoming meetings (today, March 8, and the May 10, 2023 meetings). The conflict requires that Commissioner Finlay attend meetings in the City of Duarte pertaining to a work conflict. Because she is unable to attend today’s meeting in person, she asked the Executive Officer to forward her request (enclosed) to participate remotely, as allowed under AB 2449. Pursuant to AB 2449, the authority to approve, or to deny, any request to participate remotely rests with the legislative body itself (in this case, the Commission).

Staff recommends that the Commission:

1. Approve Second Vice Chair and Commissioner Finlay's request to participate remotely for one or two meetings; or
2. Deny Second Vice Chair and Commissioner Finlay's request to participate remotely for one or two meetings.

Paul Novak

From: Margaret Finlay <margaretfinlay@gmail.com>
Sent: Wednesday, January 11, 2023 7:39 PM
To: Paul Novak
Subject: Re: LAFCO Schedule

Hello Paul, thanks for sending me the meeting schedule. I will be unable to attend the meeting on February 8th due to a trip but March 8th, April 12th, and May 10th are days that I will only be available to call in, due to a work conflict. On subsequent 2nd Wednesdays, I most likely will not have that conflict. Thanks very much. I appreciate your understanding. Margaret

On Wed, Jan 11, 2023 at 3:47 PM Paul Novak <pnovak@lalafco.org> wrote:

The next meetings are:

February 8th

March 8th

April 12th

May May 10th

June 14th

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Margaret Finlay, MPA
Duarte City Council Member and 7-Term Mayor
Past President, Southern California Association of Governments (SCAG)
Past President, California Contract Cities Association (CCCA)
626-818-9821
margaretfinlay@gmail.com

Staff Report

March 8, 2023

Agenda Item No. 10.a.

Legislative Update

Legislation:

- **SB 68 (McGuire):** This bill, which was introduced on January 5th, is potentially of interest because the introduction mentions the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Staff will report back when more information is available.
- **SB 455 (McGuire):** This bill, which was introduced on February 13th, is potentially of interest because the introduction identifies that it will relate to government organization. Staff will report back when more information is available.
- **AB 1460 (Bennett):** This bill, which was introduced on February 17th, is potentially of interest because the introduction mentions the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Staff will report back when more information is available.
- **SB 411 (Portantino), SB 537 (Becker), SB 833 (McGuire), AB 557 (Hart), AB 817 (Pacheco), AB 1348 (Grayson):** These bills address related issues concerning the Ralph M. Brown Act, open meetings, and teleconference meetings. Collectively, they represent the evolution of these issues resulting from similar legislation adopted in the 2021-22 Legislative Session. Staff will monitor these bills and report back as more information about each is available.

Potential Legislation:

The California Association of Local Agency Formation Commissions (CALAFCO) is sponsoring the following bill in the current legislative session:

- **Annual Omnibus Bill (Assembly Local Government Committee):** Based upon ideas solicited by various LAFCOs, and as reviewed and approved by CALAFCO's Legislative Committee, the Executive Director has submitted language to ALGC for three proposed omnibus items. The proposed items must be reviewed by the Chair of ALGC, the ALGC committee consultant, and Legislative Counsel prior to introduction. Staff will present the draft bill to the Commission as soon as it becomes available.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Legislative Update.

Staff Report

March 8, 2023

Agenda Item No. 12.a.

Executive Officer's Written Report

The Executive Officer reports the following:

- **Annual Filing for Statement of Economic Interest (Form 700):** The annual filing period for Commissioners to complete their Statement of Economic Interest (Form 700) ends on Monday, April 3, 2023. For Commissioners who have not submitted their Form 700, please complete and submit your Form 700 to staff, or electronically using the Board of Supervisor's E-filing system, by April 3, 2023. An email reminder was sent to all Commissioners on February 1st and February 22nd, 2023.
- **Special District Risk Management Authority (SDRMA) Board of Directors:** SDRMA, the insurance authority affiliated with the California Special District Association (CSDA), is soliciting candidates for its Board of Directors (see Agenda Item 6.e.i, Miscellaneous Communications). Because eligibility requires participation in both SDRMA's property/liability and workers' compensation programs, LAFCO commissioners and management are ineligible to apply (LAFCO secures workers' compensation insurance from SDRMA, but not property/liability insurance, which it secures from the California Joint Powers Risk Insurance Management Authority, or JPRIMA, which is affiliated with the California Association of Mutual Water Companies, or CalMutuals).

Staff Recommendation:

1. Receive and file the Executive Officer's Report.