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Paul A. Novak, AICP
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June D. Savala Deputy Executive Officer

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

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## LOCAL AGENCY FORMATION COMMISSION MEETING AGENDA

Wednesday, November 14, 2012 9:00 a.m.

### Room 381B

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

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

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

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- 1. CALL MEETING TO ORDER
- 2. PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN GLADBACH
- 3. DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)
- 4. SWEARING-IN OF SPEAKER(S)
- 5. CONSENT ITEMS

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

- a. Annexation No. 731 to Los Angeles County Sanitation District No. 21.
- b. Annexation No. 367 to Los Angeles County Sanitation District No. 22.
- c. Approve Minutes of October 10, 2012 and October 24, 2012.
- d. Operating Account Check Register for the month of October 2012.
- e. Receive and file update on pending applications.

### 6. **PUBLIC HEARING(S)**

- a. Reconfirmation of the Municipal Service Reviews (MSRs) and Spheres of Influence (SOIs) for Cities and Special Districts.
- b. Palmdale Water District Municipal Service Review.

### 7. **PROTEST HEARING(S)**

a. Annexation No. 2012-06 to Mesa Heights Garbage Disposal District.

### 8. **OTHER ITEMS**

- a. As-Needed Alternate Legal Counsel
- b. Update to LAFCO's Conflict of Interest Code

### 9. **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.

### 10. **EXECUTIVE OFFICER'S REPORT**

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

### 11. **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 <a href="mailto:three-minute">three-minute</a> time limitation.

### 12. **FUTURE MEETINGS**

November 28, 2012 December, 12, 2012 January 9, 2013 February 13, 2013 March 13, 2013

### 13. FUTURE AGENDA ITEMS

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

### 14. **ADJOURNMENT MOTION**

### **Staff Report**

### **November 14, 2012**

### Agenda Item No. 5.a.

### Annexation No. 731 to Los Angeles County Sanitation District No. 21

The following is a proposal requesting annexation of approximately 0.584± acres of uninhabited territory to Los Angeles County Sanitation District No. 21.

### **BACKGROUND**

Annexation No.: 731

District: Los Angeles County Sanitation District No. 21

Inhabited/Uninhabited: Uninhabited

Applicant: Los Angeles County Saniation District

Resolution or Petition: June 22, 2011

Application filed with LAFCO: July 5, 2011

Location: Realitos Dr. north of the Foothill Freeway (Route 210) and

approximately 300 feet south of Smoketree Drive, all

within unincorporated Los Angeles County.

City/Unincorporated County: Unincorporated County Territory

Affected Territory: The affected territory consists of vacant land and is located

within a residential area. The territory is being developed

to include one proposed single-family home.

Surrounding Territory: Land use in the surrounding territory is residential.

Landowner(s): Daniele and Elizabeth Taddeo

Registered Voters (Number):

As of: October 2, 2012

Purpose: All of the owners of real property within the affected

territory have requested, in writing, that the District provide

off-site sewage disposal service.

Related Jurisdictional Changes: There are no related jurisdictional changes

Waiver of Notice/Hearing/Protest: Yes

Additional Information: None

### **FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:**

(a) Population

Existing Population (Number): 0

As of: June 27, 2011

Population Density (Persons/Acre): 0.00

**Estimated Future Population:** 2

0.584 Land Area (Acres):

Existing Land Use(s): Vacant land located within a residential area

Proposed/Future Land Use(s), if any: The territory is being developed to include one single-

family home.

Assessed Valuation: \$149,644

As of: June 27, 2011

Per Capita Assessed Valuation: N/A

Topography: 3% grade from east to west

Natural Boundaries: None

Drainage Basins: None

Proximity to Other Populated Areas: The affected territory is surrounded by existing residential

uses

Likelihood of Significant Growth in the No significant growth is anticipated

Area in the Next 10 Years:

Likelihood of Significant Growth in

Adjacent Incorporated and

Unincorporated Areas in the Next 10

Years:

No significant growth is anticipated

### (b) Governmental Services and Controls

**Need for Organized Community** Services ("Services" refers to "governmental services whether or not provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):

The affected territory consists of vacant land within a residential area, the territory is being developed to include one proposed single-family home which requires organized the services are services which would be governmental services. All of the owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service.

### (b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:

Upon completion, the single-family dwelling will require governmental services indefinitely.

Present Cost and Adequacy of Government Services and Controls:

Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available to residents is private septic systems.

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:

The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

### (c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:

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

Effect of Proposed Action on Mutual Social and Economic Interests:

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

Effect of Proposed Action on the Local Governmental Structure of the County:

N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.

Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County: The only alternative action for sewage disposal is private septic systems. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

### (d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission The proposal conforms to adopted Commission policies Policies Regarding Urban Development: regarding urban development.

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . . "):

The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

### (e) Agricultural Lands

Effect on Agricultural Lands: The annexation will not have an effect on agricultural

lands. There are no agricultural lands within the affected

territory.

(f) Boundaries

Definiteness and Certainty of

Boundaries:

The boundaries have been clearly defined by the applicant,

and have been reviewed and approved by LAFCO's

GIS/Mapping Technician.

or Ownership:

Conformance with Lines of Assessment The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and

approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of

unincorporated territory:

N/A. As a special district annexation, the proposal does not create islands nor corridors of unincorporated territory.

### (g) Consistency with Plans

Consistency with Regional

Transportation Plan:

As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with,

the Regional Transportation Plan.

Consistency with City/County General

and Specific Plan(s):

The proposal is consistent with the existing County General

Plan designation of Low Density Residential.

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### (h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

### (i) Comments From Public Agencies

Comments from Public Agencies: None

### (j) Ability to Provide Services

Ability of the District to Provide the Requested Services:

The affected territory is not currently being serviced by the District. However, the area was included in the future service area that might be served by the District and the District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the proposed project will be treated by the JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District will have adequate capacity to collect, treat, and dispose of the wastewater

generated by the subject territory.

### (k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or

delivery.

### (1) Regional Housing

City and/or County Regional Housing Needs:

N/A. 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).

### (m) Comments from Landowners, Voters, or Residents

Information or comments from None Landowners, Voters, or Residents of the Affected Territory:

Annexation No. 731
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### (n) Land Use Designations

Existing Land Use Designations: The proposed action is consistent with the existing County

General Plan designation of Low Density Residential. The

proposed action is consistent with the existing County zoning designation of A-1-10000 (Light Agricultural).

### (o) Environmental Justice

Environmental Justice: All of the owners of real property within the affected

territory have requested, in writing, that the District provide

off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were

contacted by Sanitation District staff and were not

interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the

provision of public services.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance: The annexation is Categorical Exempt from the provisions

of the California Environmental Quality Act (CEQA) pursuant to state CEQA Guidelines Section 15319(b), because it consists of the annexation of an individual parcel

of the minimum size for facilities exempted by CEQA

Guidelines Section 15303.

Lead Agency: County Sanitation District No. 21 of Los Angeles County

Date: June 27, 2011

PLEASE CONTINUE TO PAGE 7

### Annexation No. 731 to County Sanitation District No. 21

### WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56663(a), all owners of property within the affected territory have consented to the change of organization. To date, no subject agency has submitted written demand for notice and hearing on this application pursuant to Government Code Section 56663(b). Based thereon, the Commission may conduct proceedings for the change of organization or reorganization without notice and hearing.

Pursuant to Government Code Section 56663(c), all owners of land within the affected territory have consented to the change of organization, and to date, no subject agency has submitted written opposition to a waiver of protest proceedings. Based thereon, the Commission may waive protest proceedings.

### **CONCLUSION:**

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

### **RECOMMENDED ACTION:**

Staff recommends that the Commission:

1). Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 731 to the Los Angeles County Sanitation District No. 21

# RESOLUTION NO. 2012-00RMD RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR LOS ANGELES COUNTY MAKING DETERMINATIONS APPROVING AND ORDERING "ANNEXATION NO. 731 TO LOS ANGELES COUNTY SANITATION DISTRICT NO. 21"

WHEREAS, the County Sanitation District No. 21 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located within unincorporated Los Angeles County; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for one proposed single-family home; 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 territory consists of 0.584± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 731 to County Sanitation District No. 21"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on November 14, 2012, at its regular meeting this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

### NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. Pursuant to Government Code Section 56663(a) and (b), the Commission hereby finds and determines that:
  - a. The owners of land within the affected territory have given their written consent to the change of organization; and
  - No subject agency has submitted a written demand for notice and hearing on this proposal.

Based thereon, notice and hearing requirements are waived.

- 2. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b).
- 3. Annexation No. 731 to the County Sanitation District No. 21 is hereby approved subject to the following terms and conditions:
  - a. The property so annexed shall be subject to the payment of such service charges,
     assessments or taxes as the District may legally impose.
  - b. The regular County assessment roll is utilized by the District.
  - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.

- d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
- 4. Pursuant to Government Code Section 56663(c), the Commission hereby finds and determines that:
  - a. The territory to be annexed is uninhabited;
  - b. The owners of land within the affected territory have given their written consent to the change of organization; and
  - No subject agency has submitted written opposition to a waiver of protest proceedings.

Based thereon, protest proceedings are waived.

5. The Commission hereby orders the uninhabited territory described in Exhibits
"A" and "B" annexed to County Sanitation District No. 21.

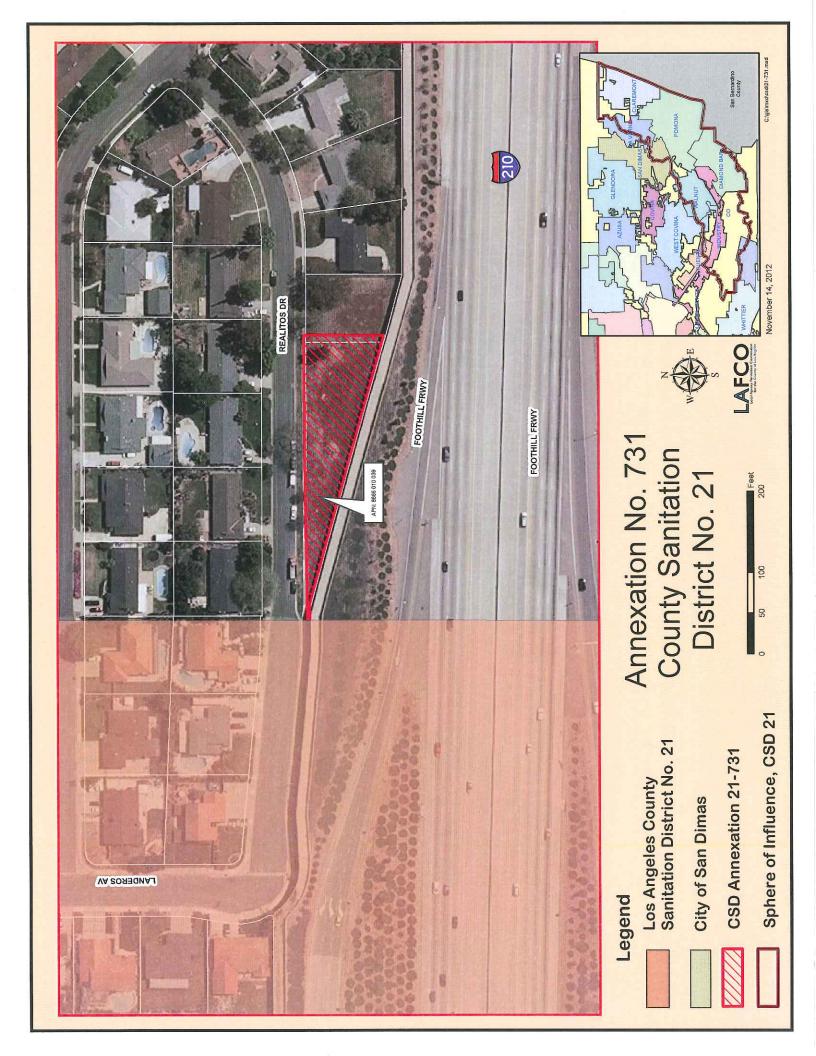
Resolution No. 2012-00RMD Page 4

6. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED 14<sup>th</sup> day of November 2012.

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

PAUL A. NOVAK, AICP Executive Officer



### **Staff Report**

### **November 12, 2012**

### Agenda Item No. 5.b.

### Annexation No. 367 to Los Angeles County Sanitation District No. 22

The following item is a proposal requesting annexation of approximately 0.556± acres of uninhabited territory located in the City of Downey to Los Angeles County Sanitation District No. 22.

### **BACKGROUND**

Annexation No.: 367

District: Los Angeles County Sanitation District No. 22

Inhabited/Uninhabited: Uninhabited

Applicant: Los Angeles County Sanitation Districts

Resolution or Petition: February 23, 2011

Application filed with LAFCO: March 9, 2011

Location: On Prospero Drive approximately 300 feet north of

Cameron Avenue, all within the City of West Covina

City/Unincorporated County: City of West Covina

Affected Territory: The affected territory consists of one single-family home

located within a residential area.

Surrounding Territory: Residential

Landowner(s): Robert & Karen Baker

Registered Voters (Number): 4

As of: October 2, 2012

Purpose: All of the owners of real property within the affected

territory have requested, in writing, that the District provide

off-site sewage disposal service.

Related Jurisdictional Changes: There are no related jurisdictional changes

Waiver of Notice/Hearing/Protest: Yes

Additional Information: None

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### FACTORS FOR CONSIDERATION PURSUANT TO GOVT. CODE SECTION 56668:

(a) Population

Existing Population (Number):

As of: March 4, 2011

Population Density (Persons/Acre): 5.40

**Estimated Future Population:** 3

0.556 Land Area (Acres):

Existing Land Use(s): The affected territory consists of one single-family home

within a residential area.

Proposed/Future Land Use(s), if any: N/A

Assessed Valuation: \$952,160

As of: March 4, 2011

Per Capita Assessed Valuation: \$317,386.67

Topography: Flat

Natural Boundaries: None

None **Drainage Basins:** 

Proximity to Other Populated Areas: The affected territory is surrounded by residential uses

Likelihood of Significant Growth in the No significant growth is anticipated.

Area in the Next 10 Years:

Likelihood of Significant Growth in

Adjacent Incorporated and

Unincorporated Areas in the Next 10

Years:

No significant growth is anticipated.

### (b) Governmental Services and Controls

Need for Organized Community Services ("Services" refers to "governmental services whether or not provided by local agencies subject to this division and includes the public facilities necessary to provide those services"):

The affected territory is an existing single-family home which requires organized governmental services. All of the owners of real property within the affected territory have the services are services which would be requested, in writing, that the District provide off-site sewage disposal service.

### (b) Government Services and Controls (continued)

Probable Future Needs for Governmental Services and Controls:

The affected territory will require governmental services indefinitely.

Present Cost and Adequacy of Government Services and Controls:

Existing governmental services are adequate. With respect to sanitary sewage disposal, other than service provided by the District, the only sewage disposal option currently available to residents is private septic systems.

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:

The cost of sewage disposal by the District versus the cost by septic systems is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

### (c) Proposed Action or Alternative Actions

Effect of Proposed Action on Adjacent Areas:

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

Effect of Proposed Action on Mutual Social and Economic Interests:

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

Effect of Proposed Action on the Local Governmental Structure of the County:

N/A. As a special district annexation, the proposal has no impact on the local governmental structure of the County.

Effect of Alternative Action(s) on Adjacent Areas, on Mutual Social and Economic Interests, and the Local Governmental Structure of the County: The only alternative action for sewage disposal is private septic systems; service by the District is more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on water bodies and groundwater.

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### (d) Conformity with Commission and Open Space Conversion Policies

Conformity with Adopted Commission The proposal conforms to adopted Commission policies Policies Regarding Urban Development: regarding urban development.

Conformity with Policies in Government Code Section 56377 Relative to Open-Space Land

The proposal includes no conversion of open space lands to other uses as defined in Government Code Section 65560.

Conversion (as Defined in Government Code Section 65560 ("Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use . . . that is designated on a local, regional, or state open-space plan . . . "):

### (e) Agricultural Lands

Effect on Agricultural Lands: The annexation will not have an effect on agricultural

lands. There are no agricultural lands within the affected

territory.

(f) Boundaries

Definiteness and Certainty of

**Boundaries:** 

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping

Technician.

or Ownership:

Conformance with Lines of Assessment The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

Creation of Islands or corridors of

unincorporated territory:

N/A. As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

### (g) Consistency with Plans

Consistency with Regional

Transportation Plan:

As a sanitation district annexation, the proposal has no significant impact upon, and is therefore consistent with,

the Regional Transportation Plan.

Consistency with City/County General

and Specific Plan(s):

The proposal is consistent with City of West Covina General Plan designation of Residential/Agriculture, and is not within the boundaries of a Specific Plan.

Annexation No. 367

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### (h) Sphere of Influence

Sphere of Influence (SOI): The affected territory is within the SOI of the District.

### (i) Comments From Public Agencies

Comments from Public Agencies: None

### (j) Ability to Provide Services

Ability of the District to Provide the **Requested Services:** 

The affected territory is already being serviced by the District. The area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System (JOS) 2010 Master Facilities Plan. The wastewater generated by the proposed annexation is being treated by the Joint Outfall System JOS, which is comprised of 6 upstream water reclamation plants and the Joint Water Pollution Control Plant. The District will have adequate capacity to collect, treat, and dispose of the wastewater generated by the subject territory.

### (k) Water Supplies

Timely Availability of Water Supplies: There are no known issues regarding water supply or

delivery.

### (l) Regional Housing

City and/or County Regional Housing Needs:

N/A. 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).

### (m) Comments from Landowners, Voters, or Residents

Information or comments from None Landowners, Voters, or Residents of the Affected Territory:

Annexation No. 367
Page 6 of 7

### (n) Land Use Designations

Existing Land Use Designations: The proposed action is consistent with the existing City of

West Covina General Plan designation of

Residential/Agriculture. The proposed action is consistent with the existing zoning designation of R-A (Residential-

Agricultural Zone).

### (o) Environmental Justice

Environmental Justice: All of the owners of real property within the affected

territory have requested, in writing, that the District provide

off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not

interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the

provision of public services.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

Environmental Clearance:	he annexation is			

of the Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319 (a), (b), because it is an annexation containing an existing structure developed to the density allowed by the current zoning. The annexation is also categorically exempt from the provisions of CEQA

pursuant to CEQA Guidelines Section 15319 (b) because it consists of the annexation of an individual parcel of the minimum size for facilities exempted by CEQA Guidelines

Section 15303.

Lead Agency: County Sanitation District No. 22 of Los Angeles County

Date: February 2, 2011

PLEASE CONTINUE TO PAGE 7

### WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56663(a), all owners of property within the affected territory have consented to the change of organization. To date, no subject agency has submitted written demand for notice and hearing on this application pursuant to Government Code Section 56663(b). Based thereon, the Commission may conduct proceedings for the change of organization or reorganization without notice and hearing.

Annexation No. 1031 to Santa Clarita Valley Sanitation District of Los Angeles County

Pursuant to Government Code Section 56663.(c), all owners of land within the affected territory have consented to the change of organization, and to date, no subject agency has submitted written opposition to a waiver of protest proceedings. Based thereon, the Commission may waive protest proceedings.

### **CONCLUSION:**

Staff recommends approval of this annexation request as a reasonable and logical extension of services by the District.

### **RECOMMENDED ACTION:**

Staff recommends that the Commission:

1). Adopt the Resolution Making Determinations Approving and Ordering Annexation No. 367 to the Los Angeles County Sanitation District No. 22.

# RESOLUTION NO. 2012-00RMD RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR LOS ANGELES COUNTY MAKING DETERMINATIONS APPROVING AND ORDERING "ANNEXATION NO. 367 TO LOS ANGELES COUNTY SANITATION DISTRICT NO. 22"

WHEREAS, the County Sanitation District No. 22 adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Los Angeles County (the "Commission") pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for the annexation of territory located in the City of West Covina; and

WHEREAS, the principal reason for the proposed annexation is to provide offsite sewage disposal for one single-family home; 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 territory consists of 0.556± acres and is uninhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 367 to County Sanitation District No. 22"; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a report, including his recommendation thereon; and

WHEREAS, on November 14, 2012, at its regular meeting this Commission considered the proposal and the report of the Executive Officer, along with public comment on the proposal.

### NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. Pursuant to Government Code Section 56663(a) and (b), the Commission hereby finds and determines that:
  - a. The owners of land within the affected territory have given their written consent to the change of organization; and
  - No subject agency has submitted a written demand for notice and hearing on this proposal.

Based thereon, notice and hearing requirements are waived.

- 2. The Commission finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) and (b).
- 3. Annexation No. 367 to the County Sanitation District No. 22 is hereby approved subject to the following terms and conditions:
  - a. The property so annexed shall be subject to the payment of such service charges,
     assessments or taxes as the District may legally impose.
  - b. The regular County assessment roll is utilized by the District.
  - c. The affected territory will be taxed for existing general bonded indebtedness, if any, of the District.

- d. Except to the extent in conflict with a through c, above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
- 4. Pursuant to Government Code Section 56663(c), the Commission hereby finds and determines that:
  - a. The territory to be annexed is uninhabited;
  - b. The owners of land within the affected territory have given their written consent to the change of organization; and
  - No subject agency has submitted written opposition to a waiver of protest proceedings.

Based thereon, protest proceedings are waived.

5. The Commission hereby orders the uninhabited territory described in Exhibits
"A" and "B" annexed to County Sanitation District No. 22.

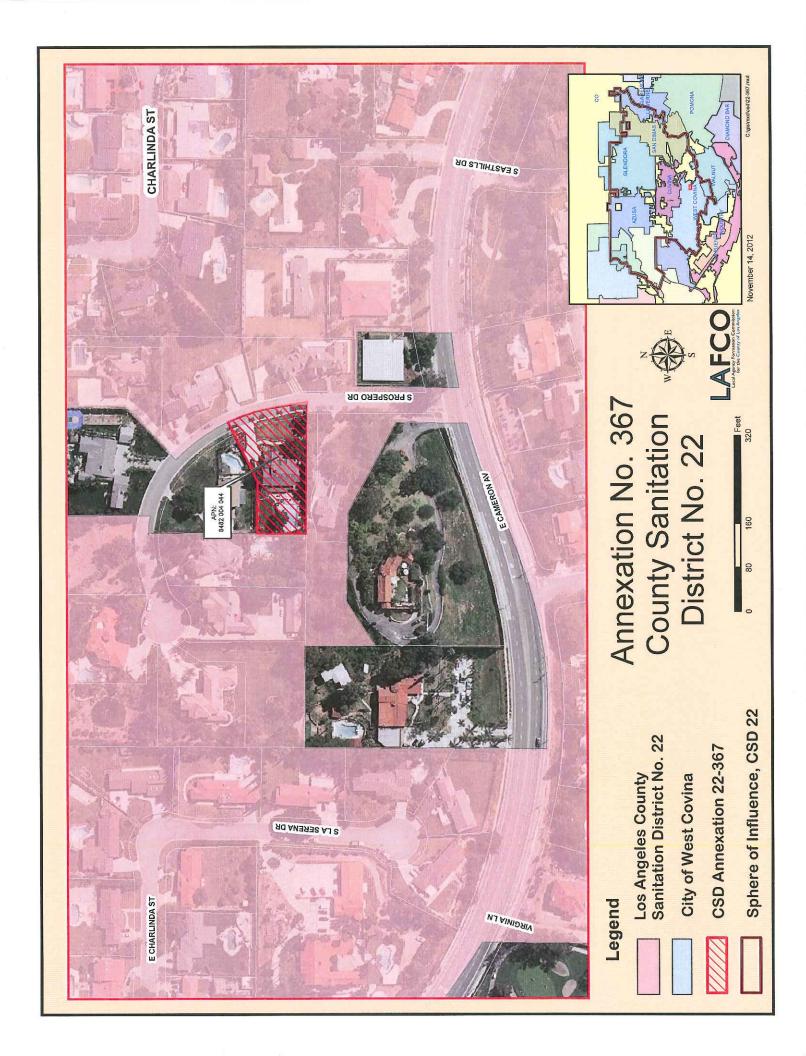
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6. The Executive Officer is directed to transmit a certified copy of this resolution to the General Manager of the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, et seq.

PASSED AND ADOPTED 14<sup>th</sup> day of November 2012.

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

PAUL A. NOVAK, AICP Executive Officer



### **Staff Report**

### **November 14, 2011**

### Agenda Item No. 6.a. Reconfirmation of Spheres of Influence

In fulfilling its basic purpose to plan the future organization of local agencies, Government Code Section (Section) 56076, requires that the Commission adopt a "Sphere of Influence" for each city and special district. A Sphere of Influence is defined as "a plan for the probable physical boundaries and service area" of each city or special district.

Section 56430 directs LAFCO to prepare Municipal Service Reviews (MSRs) to help inform the Commission's decisions regarding SOIs.

Section 56425(g) requires that the Commission "shall, as necessary, review and update each sphere of influence" for the cities and special districts. This section of the law, and the corresponding requirement to prepare Municipal Service Reviews (MSRs), came into being with the amendments to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Act) adopted in 2000. The law required that the first "round" of MSRs be prepared prior to January 1, 2008, with future rounds occurring every five years thereafter.

The Commission adopted MSRs for all cities and special districts in Los Angeles County prior to the initial January 1, 2008 deadline (this has come to be known as "Round 1"). The current round, with a deadline of January 1, 2013, is known as "Round 2." For Round 2, at your March, 2011 meeting, the Commission directed staff to prepare MSRs for 9 cities and 14 special districts. The staff is currently preparing these MSRs, which will come before the Commission in the next few months.

For the remaining cities and special districts in Round 2, in an abundance of caution, and consistent with the every five years "as necessary" language in the Act, staff recommends that the Commission reconfirm the existing Municipal Service Reviews for all but 8 of the agencies as described below.

Staff divided the remaining cities and special districts into two groups based upon whether the SOIs are coterminous with the agency boundaries, or larger than the agency boundaries.

The Commission reconfirmed the SOIs for the majority of the first group (29 cities and 44 special districts which have a "coterminous" SOI) at your October 10<sup>th</sup> meeting. On today's Commission agenda are the majority of the remaining cities and special districts (39 cities and 20 special districts), all of which have an SOI that is larger than their city or district boundaries.

On August 6, 2012, the Executive Officer sent a letter to the city managers (for cities) and general managers (for special districts) informing them that the proposed reconfirmation of their respective SOIs would be on today's Commission agenda. The letter further requested that

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individuals contact the Executive Officer if they had any concerns. As of the preparation of this report, representatives of 12 cities and 7 special districts contacted staff (either in writing or by telephone) inquiring about the reconfirmation of their SOIs. In most instances, once staff had addressed questions about the proposed Commission action, these individuals indicated that their city or district did not object to the proposed reconfirmation of their existing SOI.

Representatives of 2 cities inquired about the potential to increase their SOIs as part of this Commission action. For those cities or districts that may want to increase their SOIs, staff recommended that these agencies may file their applications with LAFCO to do so, and this recommendation and Commission action will not delay the analysis of any such agency request.

Since the adoption of the MSR and SOIs in 2008, the Act was amended in 2011 relative to Disadvantaged Unincorporated Communities (DUCs). DUCs are defined as those unincorporated territories "with an annual median household income that is less than 80 percent of the statewide median household income." In determining an SOI, Section 56425(e)(5) requires that LAFCOs consider its potential impacts on DUCs. Staff analyzed the SOI boundaries for each of the cities and special districts with LAFCO maps of all existing DUCs in Los Angeles County. Based upon this review, staff has concluded that the proposed reconfirmation of SOIs for the 44 cities and 23 special districts in the second group does not have any potentially adverse impacts on any existing DUCs in all but 8 jurisdictions, either because there are no DUCs in these agencies' SOIs, or because reconfirmation of the SOI is consistent with the present and probable need for the itemized public services to any DUCs. Based upon this analysis, however, staff determined that the reconfirmation of existing SOIs may have the potential to impact DUCs for 5 cities and 3 special districts. Accordingly, staff pulled these 8 jurisdictions out of today's action (thereby leaving 39 cities and 20 special districts as being included within this action), to analyze the DUC issue further, and then bring recommendations on those SOI updates to the Commission at a future meeting.

### **Recommended Action:**

- 1. Find that the approval of this Sphere of Influence Update is exempt from CEQA because no change in the existing individual Spheres of Influence is being adopted, and, further, as set forth in State CEQA Guidelines section 15061, it can be seen with certainty that there is no possibility that the Sphere of Influence Update will have a significant effect on the environment;
- 2. Reconfirm the current Municipal Service Reviews and Spheres of Influence for the following cities: Arcadia, Avalon, Azusa, Baldwin Park, Bradbury, Carson, Cerritos, Claremont, Covina, Culver City, Diamond Bar, Duarte, Glendale, Glendora, Hidden Hills, Huntington Park, Irwindale, La Habra Heights, La Puente, La Verne, Lawndale, Long Beach, Lynwood, Monrovia, Monterey Park, Palmdale, Pasadena, Pico Rivera,

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Pomona, Rolling Hills Estates, Rosemead, San Dimas, San Gabriel, San Marino, Santa Fe Springs, South Gate, Temple City, Walnut, and West Covina;

- 3. Reconfirm the current Municipal Service Reviews and Spheres of Influence for the following special districts: Antelope Valley Health Care District, Antelope Valley Mosquito & Vector Control District, Beach Cities Health District, Greater Los Angeles County Vector Control District, Green Valley County Water District, Los Angeles County Sanitation District No. 3, Los Angeles County Sanitation District No. 5, Los Angeles County Sanitation District No. 15, Los Angeles County Sanitation District No. 16, Los Angeles County Sanitation District No. 17, Los Angeles County Sanitation District No. 18, Los Angeles County Sanitation District No. 21, Los Angeles County Sanitation District No. 22, Los Angeles County Sanitation District No. 23, Los Angeles County Sanitation District No. 37 Acton, Malibu Garbage Disposal District, Santa Clarita Valley Sanitation District of Los Angeles County, Valley County Water District, and Walnut Valley Water District;
- 4. Direct the Executive Officer to add the words "SOI Reconfirmed on November 14, 2012" to the official LAFCO maps for the cities and special districts referenced in Sections 2 and 3, above; and
- 5. Direct the Executive Officer to mail copies of this resolution as provided in Section 56882 of the Government Code.

### **RESOLUTION NO.**

RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES RECONFIRMING THE
MUNICIPAL SERVICE REVIEWS (MSRs) AND THE SPHERES OF
INFLUENCE (SOI's) FOR THE FOLLOWING CITIES AND SPECIAL
DISTRICTS:

### **CITIES:**

ARCADIA, AVALON, AZUSA, BALDWIN PARK, BRADBURY, CARSON, CERRITOS, CLAREMONT, COVINA, CULVER CITY, DIAMOND BAR, DUARTE, GLENDALE, GLENDORA, HIDDEN HILLS, HUNTINGTON PARK, IRWINDALE, LA HABRA HEIGHTS, LA PUENTE, LA VERNE, LAWNDALE, LONG BEACH, LYNWOOD, MONROVIA, MONTEREY PARK, PALMDALE, PASADENA, PICO RIVERA, POMONA, ROLLING HILLS ESTATES, ROSEMEAD, SAN DIMAS, SAN GABRIEL, SAN MARINO, SANTA FE SPRINGS, SOUTH GATE, TEMPLE CITY, WALNUT, AND WEST COVINA;

### **SPECIAL DISTRICTS:**

ANTELOPE VALLEY HEALTH CARE DISTRICT, ANTELOPE VALLEY MOSOUITO & VECTOR CONTROL DISTRICT, BEACH CITIES HEALTH DISTRICT, GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT, GREEN VALLEY COUNTY WATER DISTRICT, LOS ANGELES COUNTY SANITATION DISTRICT NO. 3, LOS ANGELES COUNTY SANITATION DISTRICT NO. 5, LOS ANGELES COUNTY SANITATION DISTRICT NO. 15, LOS ANGELES COUNTY SANITATION DISTRICT NO. 16, LOS ANGELES COUNTY SANITATION DISTRICT NO. 17, LOS ANGELES COUNTY SANITATION DISTRICT NO. 18, LOS ANGELES COUNTY SANITATION DISTRICT NO. 21, LOS ANGELES COUNTY SANITATION DISTRICT NO. 22, LOS ANGELES COUNTY SANITATION DISTRICT NO. 23, LOS ANGELES COUNTY SANITATION DISTRICT NO. 28, LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 37 - ACTON, MALIBU GARBAGE DISPOSAL DISTRICT, SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY, VALLEY COUNTY WATER DISTRICT, AND WALNUT VALLEY WATER DISTRICT;

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization

Act of 2000 (California Government Code Section (Section) 56000 et seq) provides that a

Local Agency Formation Commission (LAFCO) must adopt the Spheres of Influence

(SOIs) of each local governmental agency within its jurisdiction (Section 56425(a)) and

that it must update, as necessary, each Sphere every five years (Section 56425(g)); and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO;

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are described at Section 56427 et seq;

WHEREAS, Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review prior to or in conjunction with action to update or adopt a Sphere of Influence;

WHEREAS, the Local Agency Formation Commission for the County of Los Angeles (LA LAFCO, LAFCO, or Commission) has previously prepared Municipal Service Reviews (MSRs) as an accompanying report to the Sphere of Influence Updates for the following cities: Arcadia, Avalon, Azusa, Baldwin Park, Bradbury, Carson, Cerritos, Claremont, Covina, Culver City, Diamond Bar, Duarte, Glendale, Glendora, Hidden Hills, Huntington Park, Irwindale, La Habra Heights, La Puente, La Verne, Lawndale, Long Beach, Lynwood, Monrovia, Monterey Park, Palmdale, Pasadena, Pico Rivera, Pomona, Rolling Hills Estates, Rosemead, San Dimas, San Gabriel, San Marino, Santa Fe Springs, South Gate, Temple City, Walnut, and West Covina and has furnished a copy of this report to each person entitled to a copy;

WHEREAS, the Commission has previously prepared MSRs as an accompanying report to the SOI Updates for the following special districts: Antelope Valley Health Care District, Antelope Valley Mosquito & Vector Control District, Beach Cities Health District, Greater Los Angeles County Vector Control District, Green Valley County

Water District, Los Angeles County Sanitation District No. 3, Los Angeles County Sanitation District No. 5, Los Angeles County Sanitation District No. 15, Los Angeles County Sanitation District No. 16, Los Angeles County Sanitation District No. 17, Los Angeles County Sanitation District No. 18, Los Angeles County Sanitation District No. 21, Los Angeles County Sanitation District No. 22, Los Angeles County Sanitation District No. 23, Los Angeles County Sanitation District No. 28, Los Angeles County Waterworks District No. 37 - Acton, Malibu Garbage Disposal District, Santa Clarita Valley Sanitation District of Los Angeles County, Valley County Water District, and Walnut Valley Water District and has furnished a copy of this report to each person entitled to a copy;

WHEREAS the Commission previously reviewed the MSRs and approved SOI updates for the cities and special districts identified in this resolution during the initial MSR/SOI update cycle as required by Section 56425;

WHEREAS the information and findings contained in the MSR and SOI updates for each of the cities and special districts identified in this Resolution are current and do not raise any significant boundary or service-related issues;

WHEREAS, for each of the cities and special districts identified in this Resolution, staff has determined that the reconfirmation of existing MSR and SOI updates does not present any issues with respect to the present and probable need of itemized services to Disadvantaged Unincorporated Communities (DUCs) pursuant to Government Code Section 56425(d)(5), either because there are no DUCs in these agencies' SOIs, or because reconfirmation of the SOI is consistent with the present and probable need for the itemized public services to any DUCs;

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that any such reorganizations will not further the goals of orderly development and affordable service delivery, and therefore will not recommend reorganization of the cities and special districts identified at this time;

WHEREAS, the Commission is able to establish the nature, location, and extent of any functions or classes of services provided by the existing districts, consistent with Section 56425, which information may be based in part upon written statements obtained by the Commission from the districts;

WHEREAS, the reports for the MSR and SOI updates for the cities and districts identified in this Resolution contain statements of determination as required by Section 56430 for the municipal services provided by the cities and districts;

WHEREAS, copies of the MSR and SOI reports, SOI maps, and statements of determination for each of the cities and special districts identified in this Resolution have been previously reviewed by the Commission and are available for public review in the Commission offices and on the Commission website;

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set November 14th, 2012, as the hearing date on this MSR and SOI study proposal, and gave the required notice of public hearing;

WHEREAS, the Executive Officer notified the City Manager of each city identified in this Resolution in writing, of the Executive Officer's intent to agendize the reconfirmation of each city's SOI as a public hearing item on the agenda for the November 14, 2012 Commission meeting;

WHEREAS, the Executive Officer also notified the General Manager of each special district identified in this Resolution in writing, of the Executive Officer's intent to agendize the reconfirmation of each city's SOI as a public hearing item on the agenda for the November 14, 2012 Commission meeting;

WHEREAS, the proposed action consists of the reconfirmation of the MSRs and SOIs for the following cities: Arcadia, Avalon, Azusa, Baldwin Park, Bradbury, Carson, Cerritos, Claremont, Covina, Culver City, Diamond Bar, Duarte, Glendale, Glendora, Hidden Hills, Huntington Park, Irwindale, La Habra Heights, La Puente, La Verne, Lawndale, Long Beach, Lynwood, Monrovia, Monterey Park, Palmdale, Pasadena, Pico Rivera, Pomona, Rolling Hills Estates, Rosemead, San Dimas, San Gabriel, San Marino, Santa Fe Springs, South Gate, Temple City, Walnut, and West Covina;

WHEREAS, the proposed action also consists of the reconfirmation of the MSRs and SOIs for the following special districts: Antelope Valley Health Care District, Antelope Valley Mosquito & Vector Control District, Beach Cities Health District, Greater Los Angeles County Vector Control District, Green Valley County Water District, Los Angeles County Sanitation District No. 3, Los Angeles County Sanitation District No. 5, Los Angeles County Sanitation District No. 15, Los Angeles County Sanitation District No. 16, Los Angeles County Sanitation District No. 17, Los Angeles County Sanitation District No. 18, Los Angeles County Sanitation District No. 21, Los Angeles County Sanitation District No. 22, Los Angeles County Sanitation District No. 23, Los Angeles County Sanitation District No. 25, Los Angeles County Waterworks District No. 37 - Acton, Malibu Garbage Disposal District, Santa Clarita Valley

Sanitation District of Los Angeles County, Valley County Water District, and Walnut Valley Water District;

WHEREAS, this Commission called for and held a public hearing on the proposal on November 14, 2012, and at the hearing the Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the reconfirmation of existing SOIs was determined to be categorically exempt under Section 15061 of the State CEQA Guideline because it can be seen with certainty that the recommended actions have no possibility of having a significant adverse effect on the environment because they reconfirm existing SOIs, and, in the alternative, that these recommendations are not a project for purposes of CEQA because they are organizational activities of governments with no direct nor indirect effects on the physical environment pursuant to Section 15378 of the State CEQA Guidelines.

### NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. The recommended actions are exempt from CEQA as set out herein;
- 2. The Executive Officer's staff report and recommendations for reconfirmation of the current MSRs and SOIs for the following cities are hereby adopted: Arcadia, Avalon, Azusa, Baldwin Park, Bradbury, Carson, Cerritos, Claremont, Covina, Culver City, Diamond Bar, Duarte, Glendale, Glendora, Hidden Hills, Huntington Park, Irwindale, La Habra Heights, La Puente, La Verne, Lawndale, Long Beach, Lynwood, Monrovia, Monterey Park,

- Palmdale, Pasadena, Pico Rivera, Pomona, Rolling Hills Estates, Rosemead, San Dimas, San Gabriel, San Marino, Santa Fe Springs, South Gate, Temple City, Walnut, and West Covina;
- 3. The Executive Officer's staff report and recommendations for reconfirmation of the current MSRs and SOIs for the following special districts are hereby adopted: Antelope Valley Health Care District, Antelope Valley Mosquito & Vector Control District, Beach Cities Health District, Greater Los Angeles County Vector Control District, Green Valley County Water District, Los Angeles County Sanitation District No. 3, Los Angeles County Sanitation District No. 5, Los Angeles County Sanitation District No. 15, Los Angeles County Sanitation District No. 16, Los Angeles County Sanitation District No. 17, Los Angeles County Sanitation District No. 18, Los Angeles County Sanitation District No. 21, Los Angeles County Sanitation District No. 22, Los Angeles County Sanitation District No. 23, Los Angeles County Sanitation District No. 28, Los Angeles County Waterworks District No. 37 -Acton, Malibu Garbage Disposal District, Santa Clarita Valley Sanitation District of Los Angeles County, Valley County Water District, and Walnut Valley Water District;
- 4. The Executive Officer is hereby directed to add the words "SOI Reconfirmed on November 14, 2012" to the official LAFCO maps for the cities and special districts referenced in Sections 1 and 2, above; and
- The Executive Officer is hereby authorized and directed to mail copies of this
  resolution as provided in Section 56882 of the Government Code.

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PASSED AND ADOPTED this 14 <sup>th</sup> day of 1	November, 2012.
Ayes: Noes: Absent: Abstain:	
	PAUL A. NOVAK, Executive Officer

Resolution No. 2012-

### **Staff Report**

#### **November 14, 2012**

#### Agenda Item No. 6.b.

### Palmdale Water District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update

Agenda Item 6.a. is consideration and approval of the Palmdale Water District Municipal Service Review (MSR) and Sphere of Influence (SOI) update.

### **Background**

Since 1971, LAFCOs have been required to develop and adopt a Sphere of Influence for each city and special district. Government Code Section 56076 defines an SOI as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

Developing SOIs is central to the Commission's purpose. As stated in Government Code Section 56425:

"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and adopt a Sphere of Influence for each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the Sphere."

Section 56425(g) further requires that the Commission update Spheres of Influence "every five years, as necessary."

In order to prepare and to update an SOI, the Commission is required, pursuant to Section 56430, to conduct a review of the municipal services in that particular city or district. Upon the completion of an MSR, the Commission is required to make the following determinations:

- 1. Growth and population projections for the affected area;
- 2. The location and characteristics of any Disadvantaged Unincorporated Communities (DUCs) within or contiguous to the Sphere of Influence;
- 3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the Sphere of Influence;

- 4. Financial ability of agencies to provide services;
- 5. Status of, and opportunities for shared facilities;
- 6. Accountability for community service needs, including governmental structure and operational efficiencies; and
- 7. Any other matter related to effective or efficient service delivery, as required by Commission policy.

These determinations are addressed in Section 10 of the attached MSR (beginning on Page 45).

In determining a Sphere of Influence, pursuant to Government Code Section 56425, the Commission must consider and make the following determinations:

- 1. The present and planned land uses in the area, including agricultural and open-space lands;
- 2. The present and probable need for public facilities and services in the area;
- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- 4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- 5. The present and probable need for sewers, municipal and industrial water, or structural fire protection services and facilities of any DUC within the existing Sphere of Influence.

These determinations are addressed in Section 2 of the attached Resolution No. 2012-00 RMD.

### Palmdale Water District MSR and SOI Update

On April 11, 2012, the Commission awarded a contract to Hogle-Ireland, Inc. to assist in Preparing a MSR for the Palmdale Water District.

The consulting team assembled by Hogle-Ireland includes both urban planning professionals as well as a water engineer with more than three decades of experience designing, constructing, and managing public water systems.

Staff of Hogle-Ireland met with representatives of Palmdale Water District, the City of Palmdale, the County of Los Angeles Waterworks District Number 40 (Antelope Valley). The consulting team also surveyed all of these agencies for information relative to municipal water systems in

the Antelope Valley. Additionally, they conferred by telephone with a representative of the Antelope Valley East Kern Water Agency (AVEK).

Palmdale Water District representatives were provided a copy of the Administrative Draft in August of 2012. The MSR before the Commission reflects the comments and input received from Palmdale Water District staff.

Staff notes that representatives of all of the involved public agencies cooperated fully with LAFCO requests for information. Staff is grateful to several employees of the Palmdale Water District—in particular, Dennis Lamoreaux, the District's General Manager—who submitted exhaustive documentation and reports. Information provided by the District assisted greatly in the preparation of the MSR and SOI Update that is before the Commission today.

#### Consultant Recommendation

Hogle-Ireland concluded that "the District appears to be well-regulated and an active and effective partner with other agencies planning for the many challenges of this complex area." With respect to broader issues associated with providing water in the Antelope Valley, the consultant finds that "the agencies within the [Antelope Valley Groundwater] Basin are actively addressing the problems in the area."

### **Staff Analysis**

Staff concurs with the recommendations in the August 2012 Palmdale Water District Municipal Service Review Hogle-Ireland.

Staff concurs with the determinations and findings found in Section 10 of the MSR. The District is adequately planning for anticipated growth within its service territory, is working diligently to diversify its water supply sources, and has adequate financial capacity to continue to provide water to its customers. Additionally, as noted in the MSR, the District is "proactive in ensuring that its operations and finances are made easily available to the public through its website," which is "well-designed, making it easy to find information regarding the District's board, water rates, upcoming events, water conservation measures and tips, development projects, planning reports, financial reports including past and present fiscal budgets and financial audits, and general contact information." Staff would add that the District's website is a model for other public agencies in terms of the volume of information easily available to the public.

In preparing MSRs and SOI Updates, a recent amendment to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCOs conduct additional analysis relative to Disadvantaged Unincorporated Communities (DUCs). DUCs are those census tracts with an annual median household income that is less than eighty-percent (80%) of the statewide median household income. Section 10 of the MSR identifies multiple census tracts within the Palmdale Water District's primary service territory that fall below the 80% threshold, but only one of those tracts (Census Tract 9101.01) is in unincorporated territory (the others are within the City of Palmdale). The Palmdale Water District is currently providing retail water service to customers within this census tract, as it is located within the District's Primary Service Area.

This census tract is adjacent to several other census tracts in County unincorporated territory which meet the criteria for DUCs, but those tracts are within the Sphere of Influence for Los Angeles County Waterworks District 40, and, therefore, do not represent a service obligation of the Palmdale Water District. In short, PWD is providing service to customers inside the DUC that is within its boundaries; however, providing service to the DUC to the north of Palmdale Water District is a service obligation of County Waterworks District 40. In this regard, the findings of the Palmdale Water District MSR are consistent with the intent of the DUC legislation, which is that public agencies should promote service of customers within DUCs, rather than solely serving wealthier communities that surround them and avoiding providing services to customers who live, own property, or operates businesses within DUCs.

The existing boundaries of the SOI are coterminous to the boundaries of the Palmdale Water District. Staff concurs with the consultants recommendations that no changes are warranted to the boundaries of the Palmdale Water District SOI.

With respect to the "scattered" nature of Palmdale Water District's boundaries, it is important to note that all of this territory is subject to a contract between the District and the State of California Department of Water Resources (found in Appendix B of the MSR). As noted in Section 15(b) of the contract, "no change shall be made in the Agency [Palmdale Water District] either by inclusion or exclusion of lands . . . except with the prior written consent of the State or except by act of the Legislature." While, admittedly, the boundaries are not typical "conforming" or "contiguous" areas, the language in this contract would make it ill-advised for LAFCO to alter the boundaries of either the District or its SOI (which is coterminous). Additionally, most of these "pockets" of scattered individual properties within PWD's boundaries, but not contiguous to each other, are the result of annexations requested by landowners and adopted prior to 1963, when LAFCOs came into existence. Because these territories were annexed into Palmdale Water District at the request of individual landowners, it would not make sense for LAFCO to "clean up" the boundaries by excluding them from either the District or its SOI.

### California Environmental Quality Act (CEQA)

MSRs are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded. The preparation and adoption of an MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15262.

As set forth in State CEQA Guidelines section 15061, approval of the SOI Update is not subject to CEQA because it can be seen with certainty that there is no possibility that the Sphere of Influence Update will have a significant effect on the environment. Additionally, in that the consultant and staff are recommending that the Commission adopt an SOI for Palmdale Water District that is the same as the existing SOI, these recommendations are not a project for purposes of CEQA because they are organizational activities of governments with no direct nor indirect effects on the physical environment, pursuant to Section 15378 of the State CEQA Guidelines.

### **Staff Recommendation:**

The attached report, map, and resolution reflect the recommendations of the consultant and LAFCO staff.

In consideration of information gathered and evaluated for the service review of the Palmdale Water District, staff recommends that the Commission:

- 1) Open the public hearing and receive testimony on the MSR;
- 2) There being no further testimony, close the public hearing;
- 3) Adopt the Palmdale Water District Municipal Service Review dated August 2012 and the determinations contained in the report, as required by Government Code Sections 56425 and 56430; and
- 4) Adopt the attached Resolution Making Determinations Approving an Update to the SOI for the Palmdale Water District.

#### **RESOLUTION NO. 2012-00RMD**

# RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR LOS ANGELES COUNTY MAKING DETERMINATIONS AND APPROVING AN UPDATE TO THE SPHERE OF INFLUENCE OF THE PALMDALE WATER DISTRICT

WHEREAS, the Local Agency Formation Commission for Los Angeles County (the "Commission"), is required pursuant to Part 3, Division 3, Title 5, (commencing with Section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), to determine and update, as necessary, the Sphere of Influence of each local agency; and

WHEREAS, the Commission has undertaken the Municipal Service Review the and Sphere of Influence Update for Palmdale Water District; and

WHEREAS, the Executive Officer has submitted to the Commission a Palmdale Water District Municipal Service Review and Sphere of Influence Update report, including proposed determinations and recommendations; and

WHEREAS, said report recommends that the Commission confirm the existing Sphere of Influence of the Palmdale Water District; and

WHEREAS, a map of the Sphere of Influence of the Palmdale Water District is set forth in Exhibit "A", attached hereto and incorporated by reference herein; and

WHEREAS, on November 14<sup>th</sup>, 2012, after being duly and properly noticed, this matter 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 matter, and the report of the Executive Officer.

#### NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. The Commission finds that the approval of this Sphere of Influence Update is not subject to the California Environmental Quality Act (CEQA) because, as set forth in State CEQA Guidelines section 15061, it can be seen with certainty that there is no possibility that the Sphere of Influence Update will have a significant effect on the environment.
- 2. The Commission adopts the following written determinations and approves the Sphere of Influence Update for Palmdale Water District.:

Present and Planned Land Uses in the Area. The Palmdale Water District encompasses an area of approximately 140 square miles overlying more than thirty non-contiguous areas throughout the southern Antelope Valley. The District's service area customers include municipal, residential, irrigation, commercial, industrial, and institutional users. The population is expected to more than double over the next 25 years, which is expected to double the District's water demands. However, the District has developed a Strategic Water Resources Plan, which takes into consideration the projected future population, anticipated water demand, and anticipated future water supplies to ensure that the District is able to continue to provide a safe and reliable source of water.

Present and Probable Need for Public Facilities and Services in the Area. The District is currently able to meet its water demands through a combination of groundwater, water obtained from the Littlerock Dam Reservoir, and imported water from the State Water Project (through the District's contract with the State of California Department of Water Resources). The District currently does not have recycled water supplies, but is in the process of developing the use of non-potable water to offset potable water demand and to diversify its water supply options. Additionally, the District is developing new sources of supply via groundwater banking and anticipated new supplies from transfer and exchange opportunities.

Present Capacity of Public Facilities and Adequacy of Public Service that the Agency Provides or is Authorized to Provide. The Palmdale Water District provides an adequate level of public facilities and services to meet the current needs of its customers. The District provides potable water service to its residential, commercial, industrial, and institutional customers within its service area, and serves supplemental water to several customers outside its Primary Service in accordance with agreements made with the Antelope Valley East Kern Water Agency (AVEK).

The District currently receives water from three sources: groundwater, Littlerock Dam Reservoir, and imported water from the State Water Project. The District is diversifying its water supply sources to meet its service area's future water demands by using three new sources: recycled water, groundwater banking, and transfer and exchange opportunities.

### Existence of Any Social or Economic Communities of Interest:

There are many distinct social and economic communities of interest within the boundaries of the territory served by the Palmdale Water District. The existence of these communities is not relevant to the agency, given the District's record of providing an adequate level of public facilities and services to meet the needs of its customers.

The present and probable need for sewers, municipal and industrial water, or structural fire protection services and facilities of any Disadvantaged Unincorporated Territory (DUC) within the existing Sphere of Influence. As noted in Section 10 of the MSR, there are multiple census tracts within the Palmdale Water District's primary service territory that fall below the 80% threshold, but only one of those tracts (Census Tract 9101.01) is in unincorporated territory (the others are within the City of Palmdale). The Palmdale Water District is currently providing retail water service to customers within this census tract, as it is located within the District's Primary Service Area. This census tract is adjacent to several other census tracts in County unincorporated territory which meet the criteria for DUCs, but those tracts are within the Sphere of Influence for Los Angeles County Waterworks District 40, and, therefore, do not represent a service obligation of the Palmdale Water District. In short, the District is providing service to customers inside the DUC that is within its boundaries; however, providing service to the DUC to the north of Palmdale Water District is a service obligation of County Waterworks District 40. In this regard, the findings of the Palmdale Water District MSR are consistent with the intent of the DUC legislation, which is that public agencies should provide service to customers within DUCs, rather than solely serving wealthier communities that surround them and avoiding providing services to customers who live, own property, or operates businesses within DUCs. Any issues involving sanitary sewer disposal are beyond the scope of this MSR and SOI Update, as the District does not provide such services anywhere within its service territory.

PASSED AND ADOPTED this 14th day of N	ovember 2012.
Ayes:	
Noes:	
Absent:	
Abstain:	
	LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES
	PAUL NOVAK, Executive Officer

Resolution No. 2012-00RMD Page 4



### Palmdale Water District Municipal Service Review

Prepared for:



Local Agency Formation Commission for the County of Los Angeles 80 South Lake Avenue, Suite 870 Pasadena, CA 91101

Prepared by:



Hogle-Ireland, Inc. 2860 Michelle Drive, Suite 100 Irvine, CA 92606

### Post Preparation Update of the MSR October 2012

At the time the Palmdale Water District MSR was prepared in July, 2012, the City of Palmdale and the Palmdale Water District were in litigation. This litigation has since been resolved. While the resolution of the litigation is positive, it in no way changes the outcome of the Report or the findings or recommendations presented in it.



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### 1. Executive Summary

A Municipal Service Review (MSR) is a comprehensive study to determine the adequacy of governmental services being provided by the local agencies under the Local Agency Formation Commission (LAFCO). The MSR is used by LAFCO, other governmental agencies, and the public to better understand and improve the provision of services and to identify opportunities for greater cooperation between service providers. The purpose of this MSR is to evaluate the Palmdale Water District (District) for Local Agency Formation Commission for the County of Los Angeles (LAFCO).

An MSR allows the LAFCO to evaluate how agencies currently provide municipal services within the MSR study area and to evaluate the impacts on those services from future growth and other changes that may occur in the study area over the next 10 to 20 years. The MSR report is also required to identify potential opportunities to address any shortfalls, gaps, opportunities for increased efficiency and/or impacts on services and governmental structure that may currently exist or are anticipated in the future. MSRs are also required to be conducted prior to, or concurrent with, sphere of influence (SOI) updates.

Beginning in 2001, Local Agency Formation Commissions (LAFCOs) were mandated to review and, as necessary, update the SOI of each city and special district. SOIs are boundaries, determined by LAFCO, which define the logical, ultimate service area for cities and special districts. No SOI can be updated, however, unless the LAFCO first conducts a MSR. The mandate to conduct MSRs is part of the Cortese-Knox-Hertzberg (CKH) Act of 2000. Per Section 56425 of the CKH Act, LAFCO must review and if necessary, update each SOI at least every five years.

The MSR and SOI update are one of many LAFCO responsibilities, but is often considered the most important as it provides the mechanism to shape the orderly and logical development of the local government agencies. The MSR process consists of three primary processes:

The Municipal Service Review Report reviews the agency/focus area of service delivery. Additionally, the agency's infrastructure, governance functions, and capacity based on projected growth in the area are evaluated along with any identified issues, needs and/or deficiencies. The MSR process then requires responses to specific questions or "determinations" as described below:



- Growth and population projections for the affected area.
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- Financial ability of agencies to provide services.
- > Status of, and opportunities for, shared facilities.
- Accountability for community service needs, including governmental structure and operational efficiencies.
- Any other matter related to effective or efficient service delivery, as required by the LAFCO Commission.
- ▶ The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- ▶ The Stakeholder Input Process provides a forum for representatives from the stakeholder agencies, to provide information in preparation of the MSR and to identify issues gaps or opportunities for efficiencies not otherwise reflected in this report. A summary of the stakeholder input and comments are included in Section 3: Key Findings and Research.
- ▶ The Sphere of Influence Update is the third part of the MSR process. Based on the information in the MSR report, LAFCO Staff's recommendation, and stakeholder input the LAFCO Commission will make a decision to retract, expand, or maintain the existing SOI boundaries.

### 1.1 Palmdale Water District MSR Summary

This MSR evaluates the study area defined by the jurisdictional boundary of the District.

The District is located within the Antelope Valley in Los Angeles County, approximately 60 miles north of the City of Los Angeles and 50 miles west of the City of Victorville.

The entire District encompasses an area of approximately 140 square miles overlying more than thirty non-contiguous areas scattered throughout the southern Antelope Valley. In addition to the Primary Service Area, there is a federal land area of approximately 65 square miles upstream of Littlerock Dam in the Angeles National Forest. The District's Sphere of Influence (SOI) is coterminous with the District's service boundary.

The District currently receives water from three sources including: groundwater, Littlerock Dam Reservoir, and imported water from the State Water Project (SWP). Groundwater is obtained from the

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Antelope Valley Groundwater Basin via 25 active wells scattered throughout the District. The District's local surface water supply is from Littlerock Dam Reservoir. This water is transferred from the reservoir to Lake Palmdale for treatment and distribution. The District's imported water is provided by the SWP and is conveyed to Lake Palmdale, which acts as a fore bay for the District's 35 million gallon per day (mgd) water treatment plant. Lake Palmdale can store approximately 4,250 acre-feet (AF) of SWP and Littlerock Dam Reservoir water.

The Antelope Valley Groundwater Basin is currently in an overdraft situation and is in the process of adjudication, which will limit and possibly decrease the allowable annual extraction of groundwater for the District and all other groundwater pumpers. The adjudication is still pending in Superior Court. Since the adjudication has not yet been completed, each groundwater pumper currently has an un-quantified right to pump water for beneficial use. At some future time, however, the court will determine all the water rights in the basin, and will order either the reduction of groundwater extractions to levels that will stabilize or reverse groundwater level declines, or the purchase of imported water to replace over extraction of groundwater, or both. Such adjudication proceedings can take from 10 to 15 years, or longer, to resolve.

Given the ongoing water adjudication process and the analysis provided below, a recommendation has been made to maintain the District's existing SOI and Service boundary. Please refer to Section 10.1: Sphere of Influence (SOI) and District Recommendation.

#### Growth and population projections

The District's service area population is expected to more than double over the next 25 years, which is expected to more than double the District's water demands. However, the District has developed a Strategic Water Resources Plan, which takes into consideration the projected future population, anticipated water demand, and anticipated future water supplies to ensure that the District is able to continue to provide a safe and reliable source of water.

### Present and planned capacity of public facilities including infrastructure needs or deficiencies

The District is currently able to meet its water demands through a combination of groundwater, water obtained from the Littlerock Dam Reservoir, and imported water from the State Water Project.



The District currently does not have recycled water supplies, but is in the process of developing the use of non-potable water to offset potable water demand and to diversify its water supply options. Additionally, the District is developing new sources of supply via groundwater banking and anticipated new supplies from transfer and exchange opportunities, please refer to **Section 5:**Infrastructure Needs and Deficiencies.

The ongoing Antelope Valley Groundwater Basin adjudication is expected to result in a reduction in the District's ground water extractions or the purchase of imported water to replace groundwater level declines.

#### Financial ability of agencies to provide services

The District has the financial capacity to continue to provide services to its service area.

#### Status of, and opportunities for, shared facilities

The District currently has an emergency water interconnection with Antelope Valley East Kern (AVEK) and an agreement with Littlerock Creek Irrigation District (LCID) to provide water treatment to water that LCID receives from the SWP. The District was also a participant in the preparation of the "Antelope Valley Integrated Regional Water Management Plan" (AVIRWMP), which was a study that sought to identify how agencies in the Antelope Valley Groundwater Basin could achieve savings by using a basin-wide approach to water planning and facilities construction.

Water supply is the only significant constraint to cost avoidance and financing opportunities. The supply issue is the paramount concern of the region, and this issue is greatly exacerbated by the fact that the groundwater basin is not adjudicated.

#### Accountability of community service needs

The District is governed by a five-member Board of Directors, each elected by voters within five separate voting divisions within the District. The governing board meets on the second and fourth Wednesday evenings of each month. The District's board meetings are publicly notified through newspaper publications and the District's Web site, and are open to the public.

The District is proactive in ensuring that its operations and finances are made easily available to the public through its website (<a href="www.palmdalewater.org">www.palmdalewater.org</a>). The website is well designed making it easy to find information regarding the District's board,

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water rates, upcoming events, water conservation measures and tips, development projects, planning reports, financial reports including past and present fiscal budgets and financial audits, and general contact information.

### Any other matter related to effective or efficient service delivery

Based on the analysis provided in this report, the District appears to be well-regulated and an active and effective partner with other agencies in planning for the many challenges of this complex area. It is recommended that LAFCO take no action other than affirming the present SOI of the District, which is coterminous with the District's service boundaries.

## The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

Senate Bill 244, recently enacted on February 10, 2011, imposed state mandates on local governments, including cities, counties and LAFCOs. This bill requires LAFCO to make determinations regarding "disadvantaged unincorporated communities." A "disadvantaged community" is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. "Severely disadvantaged community" means a community with a median household income less than 60 percent of the statewide average (Water Code Section 79505.5).

The District's Primary Service Area is generally located within 27 census tracts six of which are considered to be disadvantaged communities while five are considered to be severely disadvantaged communities. Please refer to **Section 10: Determinations and Findings**.



### **Palmdale Water District**

Municipal Service Review

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### 2. Agency Profile

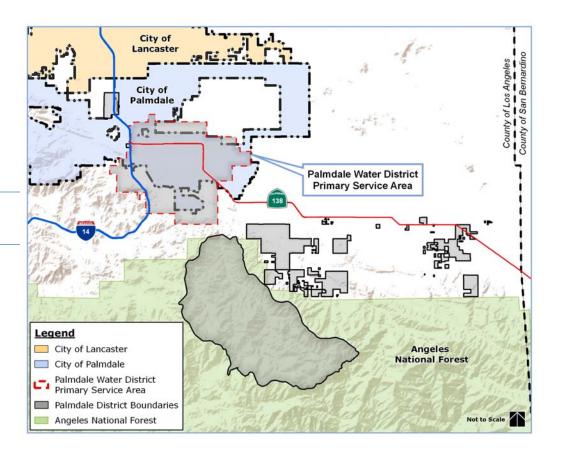
The Palmdale Water District (District) is located within the Antelope Valley in Los Angeles County, approximately 60 miles north of the City of Los Angeles and 50 miles west of the City of Victorville. The City's nearest neighbor, Lancaster, is approximately 10 miles to the north. The Antelope Valley Freeway (State Route 14) runs north-south and Pearblossom Highway (State Route 138) meanders in the east-west direction through the District.

The entire District encompasses an area of approximately 140 square miles. The District's "Primary Service Area" is located almost entirely within the jurisdictional boundaries of the City of Palmdale, and extends on its southern and eastern boundaries into the unincorporated areas of Los Angeles County that are within the City of Palmdale's SOI. The District's Primary Service Area encompasses approximately 47 square miles of mainly developed areas.

In addition to the Primary Service Area, the District's boundaries includes thirty non-contiguous areas scattered throughout the Southern Antelope Valley and a federal land area of approximately 65 square miles upstream of Littlerock Dam in the Angeles National Forest. **Figure 2-1: Vicinity Map** depicts the District's service boundaries.

The District's service area customers include municipal, residential, irrigation, commercial, industrial, and institutional users. The District has meters on all residential, commercial, and landscape service connections and requires meters on all new connections. The District does not provide water service to any agricultural accounts. In 2010 the District served a population of approximately 109,395 persons through 26,041 service connections. The District's SOI is coterminous with the District's service boundaries.





### 2.1 History

The Palmdale Irrigation District (renamed as the Palmdale Water District in 1973) was formed in 1918, in an effort to raise public funds for water infrastructure improvements. Following the provisions of Division 11 in the Water Code of the State of California, Palmdale Irrigation District was formed to irrigate over 4,500 acres of agricultural lands within its boundaries. Under this provision, the irrigation district can acquire, control, conserve, store, and distribute water for beneficial use within the district.

One significant infrastructure improvement was the construction of Littlerock Dam and Reservoir. This improvement was completed in 1924 and held a water storage capacity of 4,200-acre feet. However over the years the design of the dam fell into controversy and was declared unsafe in 1932. In 1940 the reservoir could not maintain its water capacity due to a buildup of sediment. Standby water wells were developed to help provide additional water supplies.

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In the 1950's the local aerospace industry emerged at "Air Force Plant 42", and the shift from supplying agricultural water to supplying domestic water began.

In 1962, it was recognized that some District owned and operated facilities are located on federally owned lands and that the water shed and drainage area that supplies said facilities is also located on federally owned land, both of which are in the Angeles National Forest. Under Section 26907 of the Water Code of the State of California, these publically held lands were included in the boundaries of the District to meet the interests of both the District and the public. On September 24, 1962 a resolution was adopted to include an approximately 65 square mile area of public land in the Angeles National Forest in the District's boundaries. Please refer to **Appendix A** to view a copy of the resolution.

To continue to meet the water demands of the District, the Irrigation District entered into an agreement with the State on February 2, 1963 to acquire water from the State Water Project (SWP), becoming a State Water Contractor. The capacity of Palmdale Lake was increased to handle the additional volume of water from the State Water Project and a water treatment facility was constructed. At the time, the Irrigation District's boundaries were expanded to encompass about 34,000 acres.

The 1963 contract with SWP included provisions to tie the contract to the District's service boundaries. These provisions include Article 15 and Special Provision 45 (please refer to **Appendix B**). In particular, these provisions state:

"While this contract is in effect no change shall be made in the Agency either by inclusion or exclusion of lands, by partial or total consolidation or merger with another district, by proceedings to dissolve, or otherwise, except with the prior written consent of the State or except by act of the Legislature."

In July 1963, approximately 88 private property owners filed landowner petitions to be annexed into the Palmdale Irrigation District (now the Palmdale Water District). The inclusion of these properties added the non-contiguous or "checkerboard" areas that are scattered throughout the Southern Antelope Valley.

By 1966, the District was providing only municipal and industrial water. The name of the Irrigation District was changed to "Palmdale Water District" (PWD) in 1973 to reflect this new direction. From 1965 through 1985, the controversy over the seismic safety of Littlerock Dam continued, and water demands increased significantly. A 12 million-gallon per day water



treatment plant was constructed in 1987, and by 1993 had to be expanded to process 28 million gallons of water per day.

In 1995 rehabilitation was completed to Littlerock Dam to provide seismic safety, increase water storage capacity, and renovate the recreation area. The rehabilitation efforts included raising the spillway height 12 feet to double the capacity of the Reservoir. The United States Forest Service maintains the recreation area at Littlerock Dam & Reservoir, and the District controls the level of the Reservoir and the operation of the Dam itself.

### 2.2 Palmdale Water District - Today

Today, the District serves an area of approximately 140 square miles of land in northeastern Los Angeles County, consisting of more than 30 non-contiguous areas scattered throughout the Antelope Valley with the District's Primary Service Area within the City of Palmdale. The District has, over 403 miles of pipeline, 24 active water wells, 14 pumping stations, and 22 water tanks with a combined total capacity of 52.6 million gallons of water.

It is important to recognize that while the thirty non-contiguous areas scattered throughout the Southern Antelope Valley are within District's boundaries, the District currently has no water infrastructure nor does it provide any water services to the area. These non-contiguous areas along with all properties within the district pay an assessment, based on property value, on their property taxes. This money goes to the District to pay for fixed assets related to the delivery of water from the SWP to the District. These properties have a proportionate share of entitlement to the District's "Table A" allocation under the District's SWP contract with the Sate Department of Water Resources. This contract between the District and the State Department of Water Resources extends to the year 2035, at which point the bonds used to fund the fixed assets related to the delivery of water from the SWP will be paid off.

The benefit these non-contiguous property-owners receive is that they could be provided with water services in the future. They are entitled to the District's water, which could be delivered in the following ways:

- ▶ Water from the District could be delivered to these noncontiguous property owners via another wholesaler in the area including but not limited to Antelope Valley East Kern (AVEK) or Littlerock Creek Irrigation District.
- If there were enough interested property owners to make it economically feasible, the District could build a turn-out to the

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nearby aqueduct, treat the water at a new treatment plant, and deliver it to the non-contiguous property owners.

In 2009, the District expanded its water treatment plant to allow up to 35 million gallons of water per day (mgd) to be processed using state of the art disinfection methods. In addition, a plan to remove sediment from Littlerock Dam & Reservoir to increase its storage capacity is under way in conjunction with replacing water mains from the 1950's through available grant funding.

The District's service area population is expected to more than double over the next 25 years, which is expected to more than double the District's water demands. In order to meet the anticipated future water demands the District has prepared a Strategic Water Resources Plan, which takes into consideration the use of imported water from the State Water Project (SWP), groundwater, local runoff, recycled water, conservation, and water banking and considers and evaluates these options with respect to cost, reliability, flexibility, implementation, and sustainability.



### **Palmdale Water District**

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**Table 2-1: District Summary Chart** 

**Service Area Information** 

Address:		East Avenue ale, CA 9355			Service Area: 2010 Population:		140 sq. mile 109,395		
Contact:	Denni	s D. LaMorea	ıux	P	Projected Population:				
Phone:	(661)	947-4111 x	1017			20	015	164,312	
Website:	www.p	almdalewater.d	org				020	195,404	
							025	225,20	
							030	253,79	
						20	035	280,20	6
Financial Inf	format	•						1	
Revenues		\$22,053,60	0.00	E	Expenses:			\$22,05	3,600
(including	_								
interest inco				_					
Reserves at	year	\$6,442,636	.00		Capital Imp			\$102,6	00,00
end:					nfrastruct	ure Spena	ıng		
System Info	rmatio	n			Budget				
Number of En				86	full time, 2	nart time	and	1 contrac	rt emr
Number of Co					,041	part time,	ariu	Contrac	or Ciril
					292				
					25 active wells				
					400				
Storage Capa	city:			50	million gall	ons (mg)			
	Typical Monthly Residential Water Bill (1" connection, 20 hcf, no elevation bo								
					Surcharge	, Tier 1 fee	es)		
Fixed Distribution \$47.44 W				Vater	\$17.40		Monthly	/	
and Custome	er			C	harge:			Bill:	
Charge:									
Service Area			1		,			•	
Water Suppl	y Sour	ces (AFY)	201		2015	2020	2	2025	20
Groundwater				000	12,000	12,000		12,000	12
State Water P					12,800	12,800		12,800	12
Littlerock Dan		servoir 2,0			4,000	4,000		4,000	4
Recycled Wat				0	1,000	3,000		6,000	9
Groundwater Banking		0	2,600	4,100		5,100	8		
Anticipated No.			19,8	0	2,600	4,100		5,100	8 <b>55</b> ,
	Supply				<b>35,000</b> 35,000	<b>40,000</b> 40,000	-	<b>45,000</b> 45,000	<b>55</b> ,
	mand Projection 19,80  Total Demand 19,80			35,000 35,000	40,000		45,000 <b>45,000</b>	55,	
Table Notes:	Demai	<u></u>	17,0	<del>50</del>	33,000	40,000		+3,000	JJ,
Table Notes.									

Agency Information

- All numbers are rounded to the nearest 100 AF
   Assumes groundwater is available a the existing pumping rate
- 3) Projected groundwater pumping will consist of native groundwater, imported replenishing banked supplies
- 4) Projected SWP water delivery at 60 percent of Table A amount available
- 5) Palmdale Water District Urban Water Management Plan June 2011





Palmdale MSR

### **Palmdale Water District**

Municipal Service Review

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### 3. Key Findings and Research

The purpose and intent of municipal service review is to gather data and information to document an agencies capacity to provide efficient and cost-effective water services to property owners, residents, and businesses within the District's service boundaries. To meet this requirement, Los Angeles County LAFCO and the Hogle-Ireland and Mocalis Group team prepared this service review based on sound, defensible data and information, with a focus on ensuring the future provision of safe and efficient water services, and through an open and inclusive process with input from the affected and surrounding agencies.

In order to create a comprehensive, future-focused service review, the project team met with representatives from the District, City of Palmdale, and the Los Angeles County Waterworks District No. 40. The purpose of these discussions was to encourage the affected agency and stakeholder groups to:

- Identify new strategic approaches and joint opportunities for regional collaboration.
- Discuss service, infrastructure and governance efficiencies, deficiencies and/or opportunities for improvement.
- Introduce other pertinent information that may have been overlooked in the preparation and approval of this municipal service review report.

### 3.1 Affected Agency and Stakeholder Groups

During May and June of 2012, the project team met with the following stakeholders:

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Table 3-1: Affected Agency and Stakeholder Groups

Agency	Representative	Title	Meeting Date
	Dennis D. LaMoreaux	General Manager	
Palmdale Water District	Matthew Knudson	Engineering	5/24/2012
		Manager	
	David Childs	City Manager	
City of Palmdale	Michael J. Mischel	City Engineer	5/17/2012
	James Ledford	Mayor	
Los Angeles County	Adam Ariki	Assistant Division	6/5/2012
Waterworks District No. 40		Chief	

During each of the meetings the affected agency and related stakeholders were presented a letter (please see **Appendix C**) to introduce the MSR process and have a frank discussion regarding the provision of existing and future water services. After each of the meetings, representatives were provided with a questionnaire to solicit additional information regarding growth and population projections, present and planned capacity of public facilities, opportunities for shared facilities, and any additional information that was not discussed during the in-person meetings. Copies of the completed questionnaires are included in **Appendix C**.

The stakeholder agencies were able to provide valuable information about their past and present interactions with the District, interconnections between the stakeholder agencies and the District, existing and future population projections, and the operability of the District in relationship to their own water service provisions.

Key findings from each of the stakeholder interviews include:

### Palmdale Water District (District)

- ➤ The District is one of three principal agencies that provide water services to the City of Palmdale along with Antelope Valley East Kern and Los Angeles County Waterworks District No. 40.
- ▶ Approximately 60% of the District's service connections are located within the incorporated area of the City of Palmdale.
- Groundwater is obtained from the Antelope Valley Groundwater Basin via 25 active wells scattered throughout the District.



- ▶ The Antelope Valley Groundwater Basin is currently not adjudicated.
- ▶ In 2004, the Los Angeles County Waterworks District No. 40 filed a civil complaint for the adjudication of all the groundwater rights in the Antelope Valley Groundwater Basin.
- ▶ The District later joined in the adjudication along with Rosamond Community Services District, Quartz Hill Water District, the City of Palmdale, and the City of Lancaster.
- ▶ The Antelope Valley Groundwater Basin has a safe yield of 110,000 AF.
- ► The District has been approached by the developer of the proposed Quail Valley project, which is located at the southwest area of the District's service area.
  - ▶ The development is partially inside the District service area and partially outside of the District's service area. The developer has preliminarily requested service for the entire project the District. The District and the developer are still working through the feasibility of this proposal.
- ► The District is a member agency of the Antelope Valley State Water Contractors Association that continues to plan for joint conjunctive use projects in the Antelope Valley.
- ▶ The District has adopted a Strategic Water Resources Plan (SWRP) that identifies a recommended strategy that would increase potential water supplies in the District's service area from 30,000 AFY to 65,000 AFY to meet projected demand in 2035.
- ▶ The District is scheduled to prepare an updated rate study prior to the end of 2014.

#### City of Palmdale

- ▶ The City of Palmdale is not a water purveyor. The City of Palmdale relies on the Palmdale Water District, Los Angeles County Waterworks District No. 40, and Antelope Valley East Kern to provide water services to its jurisdictional boundaries.
- ► The City of Palmdale has had conflicts with the District over water rate increases and the development of recycled water opportunities.
  - ▶ The City of Palmdale and the District are currently involved in litigation regarding each of the aforementioned conflicts.

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Both parties are confident by the end of 2012.	that the litigation will be settled



### 4. Growth and Population Projections

As previously discussed, the District's Primary Service Area is located almost entirely within the jurisdictional boundaries of the City of Palmdale, and extends on its southern and eastern boundaries into the unincorporated area of Los Angeles County that are within the City of Palmdale's SOI. The District is bordered to the south and west by the San Gabriel Mountain Range, to the north by the City of Lancaster, and to the east by the unincorporated community of Little Rock. The County of San Bernardino is located immediately to the east. The District's Primary Service Area encompasses approximately 47 square miles of mainly developed area in the City of Palmdale and its surrounding SOI.

### 4.1 Regional Summary

In accordance with the 2012 Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP), the unincorporated area of Los Angeles County had a 2008 population of 1,052,800 persons and a projected 2035 population of 1,399,500 persons. This population increase of 346,700 represents a growth rate of approximately 32% percent from 2008 to 2035. It is important to recognize that the unincorporated area of Los Angeles County encompasses an approximately 2,600 square mile area. The unincorporated area of Los Angeles County is unofficially grouped into 137 non-contiguous areas, some of the unincorporated areas are as small as a few blocks, some are urban centers with more than 150,000 residents and some, with sparse populations, cover hundreds of square miles in the high desert.

Given the vast size and varying demographics of the unincorporated area of Los Angeles County, a more realistic estimate of the future population projections of the District can be derived by evaluating the population projections of the Cities of Palmdale and Lancaster.

Based on the SCAG RTP population, household, and employment projections the cities surrounding the District are projected to experience moderate to little growth over the next 23 years. Table 4-1: City of Palmdale and Lancaster Population Growth Projections provides a breakdown of the anticipated population, households, and employment projections for each of these two cities.

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Table 4-1: Cities of Palmdale and Lancaster Population Growth Projections

	SCAG 2008 SCAG 2020 Regional RTP Transportation Plan (RTP)		SCAG 2035 RTP Projection	Overall Increase		
	City	of Palmdale				
Population	149,200	179,300	206,100	56,900		
Households	41,900	51,300	58,800	16,900		
Employment	32,700	38,900	47,200	14,500		
City of Lancaster						
Population	154,500	174,800	201,300	46,800		
Households	46,300	52,200	58,800	12,500		
Employment	49,700	51,900	54,200	4,500		

Table Notes:

### 4.2 Local Summary

As previously discussed, the District's Primary Service Area does not coincide with the boundaries of the City of Palmdale, therefore population projections prepared on an individual City basis cannot be directly used to estimate the population serviced by the District. The District's projected population is based on the District's Strategic Water Resources Plan (SSWRP), which uses SCAG data to estimate the projected population through 2035. It is projected that the District's service area population is expected to more than double over the next 25 years, which is expected to more than double the District's water Demands. **Table 4-2: District Population** provides a summary of the District's anticipated population growth through 2035.

Table 4-2: District Population

	2010	2015	2020	2025	2030	2035
Palmdale Water	109,395	164,312	195,404	225,208	253,791	280,206
District						

Table Notes

<sup>1)</sup> Southern California Association of Governments (SCAG) 212 Regional Transportation Plan (RTP) Growth Forecast

<sup>1)</sup> Strategic Water Resources Plan, Palmdale Water District, 2009



Comparing the project population growth rates of the District to the Cities of Palmdale and Lancaster, it is anticipated that the District will experience a population increase of approximately 256%, the City of Palmdale will experience a population increase of approximately 138%, and the City of Lancaster will experience a population increase of approximately 131%. **Figure 4-1: SCAG RTP Estimated Population Projections** provides a comparison of the District's anticipated growth rates compared to the Cities of Palmdale and Lancaster.

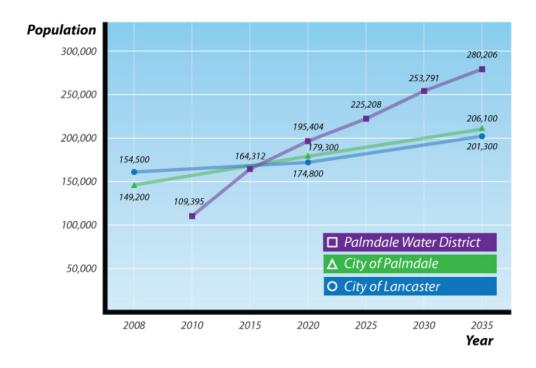


Figure 4-1: SCAG RTP Estimated Population Projections

# Infrastructure Needs and Deficiencies

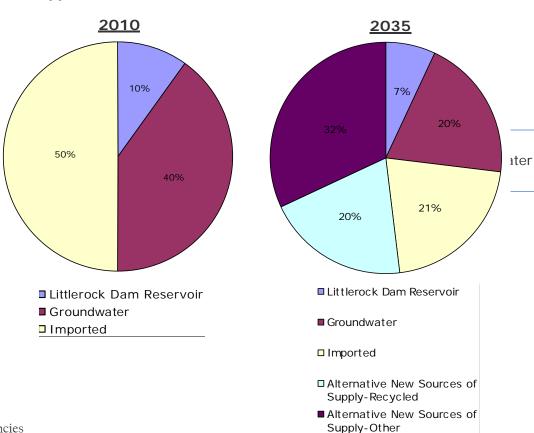
#### 5.1 Water Sources

The District currently receives water from three sources including:

- Groundwater,
- Littlerock Dam Reservoir, and
- Imported water from the SWP.

The District currently does not have recycled water supplies, but is in the process of developing the use of non-potable water to offset potable water demand and to diversify its water supply options. Additionally, the District is developing new sources of supply via groundwater banking and anticipated new supplies from transfer and exchange opportunities.

The District's current and planned sources of water are summarized in Figure 5-1: Current and Planned Water Sources below and further described in Section 5.3: Existing Supplies and Facilities.



Infrastructure Needs and Deficiencies



### 5.2Water Supply and Demand

As previously discussed, the District relies on a combination of groundwater, the Littlerock Dam Reservoir, and imported water from the SWP. Groundwater is obtained from the Antelope Valley Groundwater Basin via 25 active wells scattered throughout the District's service area. The District's local surface water supply is from Littlerock Dam reservoir. This water is transferred from the reservoir to Lake Palmdale for treatment and distribution. The District's imported water is provided by the SWP and is conveyed to Lake Palmdale which acts as a fore bay for the District's 35 million gallon per day (mgd) water treatment plant. Lake Palmdale can store approximately 4,250 AF of SWP and Littlerock Dam Reservoir water.

Furthermore, due to the ongoing Antelope Valley Groundwater basin adjudication, the amount of water the District will be able to pump from the basin is currently unknown. However, it is anticipated that the court will determine all the water rights in the basin and will order either the reduction of groundwater extractions to levels that will stabilize or reverse groundwater level declines, or the purchase of imported water to replace over extraction of groundwater, or both.

The District primarily delivers potable water to municipal, residential, irrigation, commercial, industrial, and institutional groups within its service area. In 2010 the District had 26,041 services connections, which generated a water demand of 19,800 AF. In 2035 it is anticipated that the district will have 79,007 service connections and an annual water demand of 60,000 AF. A summary of the District's existing and future water supply and demand is provided in **Table 5-1: Service Area Supply and Demand** below.

Table 5-1: Service Area Water Supply and Demand

Service Area Water Supply and Demand							
Water Supply Sources (AFY)	2010	2015	2020	2025	20		
Groundwater	8,000	12,000	12,000	12,000	12		
State Water Project (SWP)	9,800	12,800	12,800	12,800	12		
Littlerock Dam Reservoir	2,000	4,000	4,000	4,000	4		
Recycled Water	0	1,000	3,000	6,000	9		
Groundwater Banking	0	2,600	4,100	5,100	8		
Anticipated New Sources	0	2,600	4,100	5,100	8		
Total Supply	19,800	35,000	40,000	45,000	55		
Demand Projection	19,800	35,000	40,000	45,000	55		
Total Demand	19,800	35,000	40,000	45,000	55		

Table Notes:

- 1) All numbers are rounded to the nearest 100 AF
- 2) Assumes groundwater is available a the existing pumping rate
- Projected groundwater pumping will consist of native groundwater, imported replenishing banked supplies
- 4) Projected SWP water delivery at 60 percent of Table A amount available
- 5) Palmdale Water District Urban Water Management Plan June 2011

### 5.3 Existing and Proposed Supplies and Facilities

#### **Existing Water Sources**

#### Groundwater

Groundwater pumping currently makes up a significant portion of the District's water supply portfolio, accounting for 40% of water supplies during a normal year. The District's groundwater supply is the Antelope Valley Groundwater Basin where there are 25 active wells currently drawing from the aquifer. This water is treated with chlorine disinfection and pumped directly into the District's potable distribution system. Since 1995, the District has produced on average 10,310 AF of groundwater per year. The availability of groundwater supply for the District does not vary throughout the course of a year, however due to the ongoing adjudication proceedings, the availability of groundwater may vary depending on the court's determination.

Historically the District's groundwater supplies accounted for 33 to 41 percent of their overall water supplies between 2006 and 2010. Pumping in the Antelope Valley Groundwater Basin is expected to increase and remain at a constant 12,000 AF, based on pumping capacity and as shown in **Table 5-1: Service Area Water Supply and Demand** above. Given the District's efforts to diversify its water supply portfolio in the next several years, groundwater levels are expected to be managed. Project

Infrastructure Needs and Deficiencies



groundwater supplies will consist of a combination of native groundwater, imported replenishment, and other banked supplies.

#### **Local Surface Water**

Build in 1922 Littlerock Dam Reservoir provides the District's local surface water supply source. This reservoir is located in the hills southwest of the District. Recent renovations to Littlerock Dam reservoir have increased its storage capacity to 3,500 AF, or 1.1 billion gallons of water.

Littlerock dam reservoir is fed by natural run-off from snow packs in the local San Gabriel Mountains and from rainfall. The principal tributary streams to the District service area are Littlerock and Big Rock Creeks, which flow north from the San Gabriel Mountains along the southern District boundary. Numerous intermittent streams also flow into the service area, however run-off is meager.

The Littlerock Dam Reservoir intercepts flows from the Littlerock and Santiago Canyons. Runoff from the 65 square mile watershed in the Angeles National Forest to the reservoir is seasonal and varies widely from year to year.

The water is transferred from Littlerock Dam Reservoir to Palmdale Lake. Although Littlerock Creek flows mainly during winter and springs months, this influx is buffered somewhat by Littlerock Dam Reservoir, allowing this water to be available throughout the year.

#### **Imported Water**

Imported water form the SWP is the District's current primary source of water supply, providing approximately 50% of the District's water. The District is one of 29 contracting agencies entitled to receive water from SWP. The District has been able to take delivery of SWP water since 1985 from the East branch of the California Aqueduct, which passes through the District's service area. The District receives its entitlement from a connection on the East Branch, where SWP water is conveyed to Lake Palmdale via a 30-inch diameter pipeline. Lake Palmdale acts as a fore bay for the District's 35 mgd water treatment plant and stores approximately 4,250 AF of SWP water and Littlerock Dam reservoir water.

The District is contractually entitled to receive 21,300 AF per year of SWP water. Availability of SWP water varies from year to year and depends on precipitation, regulatory restrictions, legislative restrictions, and operational conditions. It is important to

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recognize that water from the SWP have become more unreliable since the early 1990s as a result of significant droughts, water right issues, and environmental restrictions. The SWP supply must pass through California's Sacramento-San Joaquin Delta (Delta), which is the largest estuary in the state and the source of many conflicts between urban, agriculture, and environmental interests. Due to endangered species act requirements, Delta water exports were significantly curtailed in recent years. The issues in the Delta are expected to continue unless a comprehensive solution is implemented restoring the Delta's ecosystem and providing additional conveyance and storage to reduce impacts of water exports on fisheries and habitats.

Over the last decade, the District has received between 41% and 77% percent of its 21,300 AF contractual amount.

#### **Future Water Sources**

#### **Recycled Water**

The District currently does not have a recycled water program. However, due to current and anticipated growth, as well as increasing uncertainty of the District's ability to meet local water demands with imported water and groundwater, the District is taking proactive steps towards expanding the use of non-potable water to meet a variety of non-potable and indirect potable uses. The District has been actively working with Los Angeles County Waterworks, City of Palmdale, City of Lancaster, and Los Angeles County Sanitation Districts to develop a regional recycled water system.

The District's municipal recycled and non-potable water opportunities represent the primary non-potable reuse potential for the District, which includes municipal/industrial, agricultural uses, and groundwater recharge. Though there currently aren't any identified industrial uses for recycled water within the District, new developments in the future could use non-potable water.

#### **Groundwater Banking**

The District currently does not operate a systematic banking program but is actively pursuing this future water supply source. Groundwater banking will be an important strategy for the District to maintain and improve water supply reliability. The water to be banked will come from above-average year supplies or be purchased from other sources. The District is currently exploring banking opportunities within and outside the Antelope Valley.

#### **Transfer and Exchange Opportunities**



The projected water demands for the District will exceed the existing available water supply in the foreseeable future. As such the District has evaluated various transfer and exchange opportunities that will aid in meeting projected water demands.

**Table 5-2 Projected Water Supply of Future Projects** provides a summary of the District's future water supplies.

Table 5-2: Service Area Water Supply and Demand

Potential Project Constraints	2015	2020	2025	2030	2035
Availability of supplies, vater quality, and egulatory requirements	1,000	3,000	6,000	9,000	12,000
Regulatory requirements, outcome of adjudication, and suitability of local peology	2,600	4,100	5,100	8,600	9,600
Availability and price	2,600	4,100	5,100	8,600	9,600
	6,200	11,200	16,200	26,200	31,200

Water District Urban Water Management Plan – June 2011

# 6. Financing Opportunities or Constraints

#### 6.1 Revenues

The District's operating revenue is generated through monthly water service charges, water sales, and related services. For the Budget year ending December 31, 2011, the District had total operating revenues of \$21,660,444.

### 6.2Expenses

For the Budget year ending December 31, 2011, the District had total operating expenses of \$20,480,879.

Table 6-1: Palmdale Budget Summary

	Revenue		
	Actual 2010	Budget 2011	Budget 2012
Total Revenue	\$21,640,582	\$21,660,444	\$22,053,600
	Expenses		
Total Expenses	\$23,092,131	\$20,480,879	\$22,053,600

Table Notes:

## 6.3Financial Ability of Agency to Provide Services

Based on the analysis provided above, the District has the financial capacity to continue to provide services on the same level as it has in the past and has the financial capacity to support anticipated future growth.

<sup>1)</sup> Palmdale Water District - 2010, 2011, and 2012 Annual Budget



## **Palmdale Water District**

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## 7. Economies of Service

Due to the multiplicity of agencies and jurisdictions in the Antelope Valley Groundwater Basin, and the very complex relationships of service facilities, no achievable economies of service were identified.

### 7.1 Cost Avoidance Opportunities

Water supply is the only significant constraint to cost avoidance and financing opportunities. The supply issue is the paramount concern of the region, and this issue is greatly exacerbated by the fact that the groundwater basin is not adjudicated.

The agencies in the Antelope Valley collaborated in the preparation of an area-wide study titled, "Antelope Valley Integrated Regional Water Management Plan" (AVIRWMP), which was prepared in 2007. The participating agencies included Antelope Valley-East Kern Water Agency; Antelope Valley State Water Contractors Association; City of Lancaster; City of Palmdale; Littlerock Creek Irrigation District; Los Angeles County Sanitation Districts No. 14 and 20; Los Angeles County Waterworks District No. 40; Palmdale Water District; Quartz Hill Water District; and Rosamond Community Services District.

One of the basic purposes of the AVIRWMP study was to identify how agencies in the Antelope Valley Groundwater Basin could achieve savings by using a basin-wide approach to water planning and facilities construction. Effective collaboration between agencies has been frustrated by the fact that the basin is not adjudicated.

A civil complaint was filed in 2004 by County of Los Angeles Waterworks District No. 40, later joined by Palmdale Water District, for the adjudication of all groundwater rights in the Antelope Valley Groundwater Basin. Litigation of this nature can take from 10 to 15 years, or longer, to resolve.

A second litigation, involving the City of Palmdale and Palmdale Water District regarding Water Budget Rate Structure, is reportedly nearing resolution. Neither agency would share any details of what the resolution involves, citing issues of confidentiality.

### 7.2 Surrounding Water Districts & Rates



It is important to recognize that the District is both adjacent to and within close proximity to several competing water districts. These districts include Antelope Valley East Kern (AVEK) Los Angeles County Waterworks District No. 40 (LACWD No. 40), and the Littlerock Creek Irrigation district (LCID). Each of these water districts are briefly described below.

#### Antelope Valley East Kern (AVEK)

AVEK encompasses 2,300 square miles in the Mojave Desert of California, northeast of Los Angeles, and includes over twenty municipal users as well as Edwards Air Force Base, Palmdale Air Force, and U.S. Borax. AVEK is a wholesale water supplier that has the third largest water entitlement of the 29 SWP water agencies in California. Only the Metropolitan Water District and the Kern County Water Agency have larger entitlements.

In addition to its service area, AVEK does provide water service to areas that are within the District's boundaries that cannot currently be served directly by the District. The water service is provided under agreements with the District that allow for the exchanges of State Water project water. The water services are provided by AVEK due to the lack of infrastructure for the District to service the area directly.

The District also provides similar water services to areas that are within AVEK's boundaries that cannot currently be served directly by AVEK. An interconnection also exists between AVEK and the District for reciprocal emergency water supplies.

AVEK does not directly provide water to residential consumers and therefore has not been included in the rate comparison show in **Table 6-2 Water District Rate Comparison**.

## Los Angeles County Waterworks District No. 40 (LACWD No. 40)

The LACWD is a division of the Los Angeles County Department of Public Works that supplies water to approximately 200,000 people. LACWD is divided into five districts with LACWD No. 40 as the largest. LACWD No. 40 was established on November 4, 1993 and includes approximately 55,627 service connections and a population of approximately 173,494 persons. LACWD No. 40 – Region 34 is responsible for providing water services to a portion of the Cities of Palmdale and Lancaster as well as several unincorporated areas of Los Angeles County.

LACWD No. 40 charges a fixed monthly charge of 43.95 for a 1'' service connection, which includes the meter charge as well as a

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monthly allowance of 10 hundred cubic feet (hcf) of water. The quantity charge for each HCF of water used in a month in excess of the monthly allowance is \$1.962.

#### **Littlerock Creek Irrigation District (LCID)**

The Littlerock Creek Irrigation District was formed in March 1892 and provides water services to an approximately 11,200 acre area. The LCID's service area includes portions along the southeast corner of the City of Palmdale as well as the unincorporated area of Los Angeles County.

From its formation until around 1980, LCID was largely a farming community. With the decline in agriculture and the increase in residential housing starting in the early 1980's, the district saw a change in the type of water it needed to supply going from raw untreated surface water for agriculture to needing more potable clean healthy drinking water. The District now has a total of four deep water wells for residential use and five one-million gallon storage tanks. The LCID has an agreement with the District to take their SWP and Littlerock Dam water, process it through the District's treatment plant and return it as potable drinking water.

The LCID charges a fixed distribution and customer charge of \$46.83 for a 1" service connection and \$0.78 for each HCF of water used.

#### Palmdale Water District (District)

The Palmdale Water District calculates the water allocation differently for residential accounts then it does for commercial accounts. Residential users are charged \$47.44 per month for a 1" service connection. Water usage charges are determined using an indoor 60 gallons per capita per day and outdoor allocations. The outdoor allocation is based on landscaped area, actual ETO readings, and other related factors. The District also adds a \$0.20 per HCF to fund water quality activities.

In November of 2000, the District established a surcharge to pass on the increased costs of delivering water to customers in higher elevation zones. This District is divided into four elevation service zones. The northern most area is defined as the "Base Area", while moving south the Zone structure includes "Area 1", "Area 2", and "Area 3". The District's elevation booster surcharge is based on each HCF of water consumed and is described in **Table 7-1**: **Palmdale Elevation Booster Surcharge** below:

## Table 7-1: Palmdale Elevation Booster Surcharge



Area	Elevation Booster Surcharge (\$/HCF)	
Base Area	\$0.00	
Area 1	\$0.16	
Area 2	\$0.35	
Area 3	\$0.70	

Table Notes:

**Table 7-2: Water District Rate Comparison** provides a summary of the charges anticipated from the District, LACWD No. 40, and LCID assuming that 20 HCF of water is used at a single-family residence with a 1" connection. It is further assumed that for the District, there are no elevation booster surcharges and that the 20 HCF used falls under the Tier 1 rate fee.

Table 7-2: Water District Rate Comparison

LACWD 40 (Region 34)				
Rate Tier	Rate as of 2012			
Tier 1 (10 HCF + Monthly				
Service Charge)	10 @ \$40.64			
Tier 2 ( \$1.304 * +11 HCF)	10 @ \$1.962 = \$19.62			
Total	\$60.26			
LCI	D			
Rate Tier	Rate as of January 2012			
Tier 1	20 @ \$0.78 = \$15.60			
Fixed Distribution and Customer Charge	\$46.83			
Total	\$62.43			
Palmdale Water District				
Rate Tier	Rate as of 2012c			
Tier 1	20 @ \$0.67 = \$13.40			
Fixed Distribution and Customer Charge	\$47.44			
Water Quality (\$0.20 per HCF)	\$0.20 @ 20 = \$4.00			
Total	\$64.84			

### 7.3 Opportunities for Shared Facilities

<sup>1)</sup> Palmdale Water District - 2010, 2011, and 2012 Annual Budget

The AVIRWMP study referenced above is far too lengthy to be attached hereto.

### 7.4Evaluation of Management Efficiencies

The District, which became a public agency in 1918, has approximately 27,000 connections serving a population of 115,000 in an area of 187 square miles within over thirty non-contiguous areas. It is one of the 3 main agencies providing water to the City of Palmdale, where it serves a population of approximately 69,000 through 16,200 connections in the southwest portion of the City.

The District provides water in the High Desert region to areas that are not capable of being served by the Antelope Valley-East Kern Water Agency and Los Angeles County Waterworks District No. 40 (LACWWDN40). The District is a State Water Project contractor that provides both wholesale and retail water and is also a processor of water to Littlerock Creek Irrigation District and AVEK.

An evaluation of the District's management efficiencies fails to reveal any gross deficiencies. To the contrary, the District employs an effective outreach program to its consumers, and is an active participant in regional planning efforts. It has reciprocal agreements with the Antelope Valley-East Kern Water Agency, Waterworks District No. 40, Littlerock Creek Irrigation District, and two private mutual water companies to improve efficiencies.



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## 8. Government Structure Options

The purpose of evaluating government structure options as part of the Municipal Service Review (MSR) is to encourage the current and future orderly formation of local government agencies, create logical boundaries, and promote the efficient delivery of services. This MSR is an informational document that will be used by the Los Angeles County LAFCO staff and Commission, agencies and organizations, stakeholders, and the public to discuss future governance options for the District. One of the required components to be addressed in the MSR is a list of all possible government structure options including an analysis of all possible advantages and disadvantages of agency reorganization.

There are several advantages and disadvantages that may occur from reorganization including:

#### **Advantages**

- Reduction in cost or fees due to economies of scale
- Improved service delivery in terms of both water delivery and administrative functions including customer service and billing
- ▶ Simplification of jurisdictional boundaries.

#### **Disadvantages**

- Political opposition
- Loss of local control and accountability
- No or limited cost savings
- Discontinuity of services during the reorganization process

The LAFCO Commission is not required to implement any of the governmental structure options described in this report. However, the LAFCO Commission must update or reaffirm the sphere of influence of the District, which as it exists today is concurrent with the District's boundaries.

It is important to note that at the time this report was prepared, the District had no plans to expand or retract its sphere of influence or service boundary.

### 8.1 Options

There doesn't appear to be any options available at this time for restructuring the Palmdale Water District. In fact, there doesn't appear to be any need for such restructuring.

Even if it were suggested that restructuring might be in the public interest, the position of the District is that its boundaries cannot



be altered through the MSR process because of a contract dated February 2, 1963 between the District and the State of California Department of Water Resources, which reads in part:

"15. AREA SERVED BY AGENCY. (b) State Approval of Change in Boundaries or Organization of Agency. While this contract is in effect no change shall be made in the Agency either by inclusion or exclusion of lands, by partial or total consolidation or merger with another district, by proceedings to dissolve, or otherwise, except with the prior written consent of the State or except by act of the Legislature."

If the District's position is legally correct, it appears that the only viable option available to LAFCO is to maintain the status quo.

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# 9. Local Accountability and Governance

The District is governed by a five-member board of directors, elected from within each of the five electoral divisions in the District. Members for each of the divisions must reside in the division they represent and are elected by voters within that division. All board members serve a four-year term.

**Table 9-1: Palmdale Water District Governance** below provides a summary of the governance and local accountability of the District.

Table 9-1: Palmdale Water District Governance

Date formed:	1918
Statutory Authorization:	Irrigation District Act (California State Water Code Section 20500 et seq.)
Board Meetings:	Twice a Month

Board of	Title	Compensation	
Directors			
Gordon Dexter	President	A Discoulate for a series of \$275.00 and	
Gloria Dizmang	Vice President	A Director's fee averages \$375.00 per	
Robert E. Alvarado	Secretary	month. Other benefits provided to board members include health	
Kathy Mac Laren	Treasurer	insurance and travel expenses.	
Steve Cordova	Board Member	modranico una travor expensee.	

Table Notes:

1) Palmdale Water District Website, August 9, 2012 - http://www.palmdalewater.org/Board.aspx

The governing board is responsible for a complete range of public governance actions and holds regularly scheduled meetings on the second and fourth Wednesday evenings to inform the public about the District and recent water activities. The District's board meetings are publicly notified through newspaper publications and the District's Web site, and are open to the public.

The District evolved from several private water companies. The first water agency, the Palmdale Irrigation Company, was established in 1886 to acquire land and water, and then rent, lease, and sell both as they were developed. The District was originally named the Palmdale Irrigation District, and was formed

## Local Accountability and Governance



in 1918 by a public vote. In 1973 the name of the Irrigation District was changed to the Palmdale Water District.

August 2012

Palmdale MSR

## 10. Determinations and Findings

California Government Code Section 56430 provides that LAFCOs, upon receipt and consideration of an MSR, are required to adopt written findings addressing each of the following six topics:

- 1. Growth and population projections for the affected area.
- 2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- 3. Financial ability of agencies to provide services.
- 4. Status of, and opportunities for, shared facilities.
- 5. Accountability of community service needs, including governmental structure and operational efficiencies.
- 6. Any other matter related to effective or efficient service delivery, as required by the LAFCO Commission.

Below is a summary of what each determination will assess as well as an overview of the findings for each determination.

## 1. Growth and population projections for the affected area.

This determination requires an analysis of current and future population and demographic characteristics related to city and special district service plans and delivery. Local and regional growth projections should be analyzed for compatibility with planned facilities.

Population studies prepared by the City of Palmdale cannot be used directly to estimate the population served by the District, because the District's Primary Service Area boundary does not coincide with the City boundary. The District's projected population through 2035 is based on the District's Strategic Water Resources Plan (SWRP) which used Southern California Association of Governments (SCAG) data. It is estimated that the population within the District will reach approximately 164,312 by 2015 and 280,206 by 2035. **Table 10-1: District Population Projections** provides the current and projected future population for the District's service area.



## Table 10-1: District Population Projections

	2010	2015	2020	2025	2030	2035
Water	109,395	164,312	195,404	225,208	253,791	280,206

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gic Water Resources Plan, Palmdale Water District, 2009

2. Present and planned capacity for public facilities and adequacy of public services, including infrastructure needs or deficiencies.

The purpose of this determination is to evaluate existing infrastructure to determine existing sufficiency and future demand. The analysis will address future planned expansions within the MSR study area, both locally and regionally.

The District's service area customers include municipal, residential, irrigation, commercial, industrial, and institutional users. The District has meters on all residential, commercial and landscape service connections in the service area and requires meters on all new connections. The District provides potable water service to its residential, commercial, industrial, and institutional customers within its service area, and serves supplemental water to several customers outside its Primary Service Area in accordance with agreements made with the Antelope Valley East Kern Water Agency (AVEK).

The District currently receives water from three sources: Groundwater, Littlerock Dam Reservoir, and imported water from the State Water Project. The ability of the District to reliably meet future water demands with its current water supplies is not certain. Therefore the District is diversifying its water supply sources to meet its service area's future water demands by using three new sources:

1) recycled water, 2) groundwater banking, and 3) anticipated new sources. Anticipated new sources consist of transfer and exchange opportunities that will be used to meet future water demands with the District's service area.

#### 3. Financial ability of agencies to provide services.

The purpose of this determination is to analyze the present and future ability of the District to financially support the current and long-term municipal service needs.

When significant conservation programs are undertaken, a budget deficit is likely to occur. If and when this occurs, the District would need to take corrective action to balance the public benefits of conservation programs against the demands of a balanced budget. The District has annual revenue of approximately twenty million dollars. Surplus revenues are carried over in a reserve fund for maintenance, capital improvement and budget deficits. The District has the financial capacity to continue to provide services to its service area.

#### 4. Status of, and opportunities for, shared services.

The purpose of this determination is to analyze potential opportunities, if any, for enhancing operational efficiencies by sharing services and/or facilities.

Water supply is the only significant constraint to cost avoidance and financing opportunities. The supply issue is the paramount concern of the region, and this issue is greatly exacerbated by the fact that the groundwater basin is not adjudicated.

As cited earlier, the agencies in the Antelope Valley collaborated in the preparation of an area-wide study titled, "Antelope Valley Integrated Regional Water Management Plan" (AVIRWMP), which was prepared in 2007.

One of the basic purposes of the AVIRWMP study was to identify how agencies in the Antelope Valley Groundwater Basin could achieve savings by using a basin-wide approach to water planning and facilities construction. Effective collaboration between agencies has been frustrated by the fact that the basin is not adjudicated.

# 5. Accountability for community service needs, including governmental structure and operational efficiencies.



The purpose of this determination is to evaluate the current and alternative government structure of the District. This evaluation includes opportunities for public participation provided by the District.

The District is governed by a five-member Board of Directors, each elected by voters within five separate voting divisions within the District. The governing board is responsible for a complete range of public governance actions and holds regularly scheduled meetings on the second and fourth Wednesday evenings of each month, to inform the public about the District and recent water activities. The District's board meetings are publicly notified through newspaper publications and the District's Web site, and are open to the public.

The District is proactive in ensuring that its operations and finances are made easily available to the public through its website (www.palmdalewater.org). The website is well designed making it easy to find information regarding the District's board, water rates, upcoming events, water conservation measures and tips, development projects, planning reports, financial reports including past and present fiscal budgets and financial audits, and general contact information.

## 6. Any other matter related to effective or efficient service delivery, as provided by Commission policy.

The purpose of this determination is to provide an analysis of any other matters as related to the data analysis provided in the previous sections of this report, the affected and stakeholder agency interviews, and distributed questionnaires.

Please refer to Section 10.1: Sphere of Influence (SOI) and District Recommendation below.

# 7. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Senate Bill 244, recently enacted on February 10, 2011, imposed state mandates on local governments, including cities, counties and LAFCOs. This bill requires LAFCO to make determinations regarding "disadvantaged unincorporated communities." Disadvantaged

unincorporated communities are defined as territory that constitutes all or a portion of a "disadvantaged community" including 12 or more registered voters or some other standard as determined by the LAFCO Commission. A "disadvantaged community" is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. "Severely disadvantaged community" means a community with a median household income less than 60 percent of the statewide average (Water Code Section 79505.5).

The legislation will impact LAFCO operations in three respects:

- 1. Municipal Service Review (MSR) determinations.
- 2. Sphere of Influence updates on or after July 1, 2012
- 3. Annexation approval restrictions of territory adjacent to disadvantaged communities.

Item numbers one and two are further described below, however as this MSR does not concern the approval of an annexation, item number three will not be discussed in this report.

#### 1. Municipal Services Reviews - §56430

The Commission is required to prepare specific written determinations on infrastructure needs or deficiencies related to sewer, water, and fire protection services in any disadvantaged unincorporated community within or contiguous to the sphere of influence of a city or special district that provides those services.

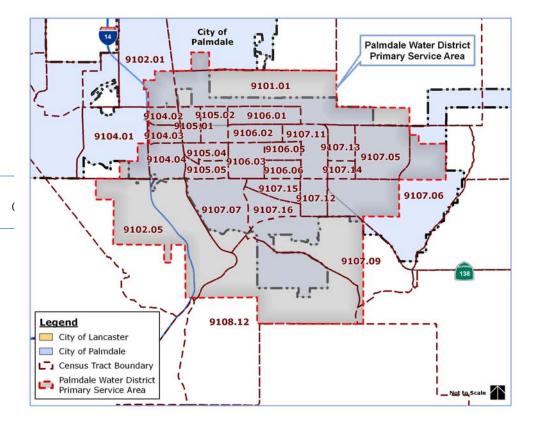
#### 2. Spheres of Influence - §56425

After July 1, 2012 the Commission is required to adopt additional determinations for an update of a sphere of influence of a city or special district that provides public facilities, or services related to sewer, water, or fire protection. The Commission must make determinations regarding the present and probable need for those public facilities and services in any disadvantaged unincorporated communities within the existing sphere of influence.

In accordance with the 2010 United States Census, the median statewide household income is \$54,459. Eighty percent of the median statewide household income is \$43,567. As the District does not conform to city



boundaries, census tracts were used to determine the median household income. The Primary Service Area of the District includes 27 census tracts. It is important to note that these census tracts are not contiguous with the District's service boundary as shown in **Figure 10-1**: **Census Tract Locations** below. Of the 27 census tracts six are considered to be disadvantaged communities while five are considered to be severely disadvantaged communities. Each of the 27 census tracts are further described in **Table 10-2**: **Census Tract Annual Median Household Income** below.



Palmdale MSR

Table 10-2: Census Tract Annual Median Household Incom

Census Tract	Statewide Annual Median Income	Annual Median Household Income	Percentage of Annual Statewide Annual Median Income
9101.01		\$21,583.00	40%
9102.01		\$49,730.00	91%
9102.05		\$87,022.00	160%
9104.01		\$70,000.00	129%
9104.02		\$28,016.00	51%
9104.03		\$28,510.00	52%
9104.04		\$45,083.00	83%
9105.01		\$21,570.00	40%
9105.02		\$30,740.00	56%
9105.04		\$38,388.00	70%
9105.05		\$52,396.00	96%
9106.01		\$40,052.00	74%
9106.02		\$34,258.00	63%
9106.03	\$54,459.00	\$52,295.00	96%
9106.05		\$54,063.00	99%
9106.06		\$67,670.00	124%
9107.05		\$66,064.00	121%
9107.06		\$61,172.00	112%
9107.07		\$38,690.00	71%
9107.09		\$88,229.00	162%
9107.11		\$48,739.00	89%
9107.12		\$67,292.00	124%
9107.13		\$57,803.00	106%
9107.14		\$48,488.00	89%
9107.15		\$48,089.00	88%
9107.16		\$66,914.00	123%
9108.12		\$105,568.00	194%

Table Notes:

1) 2010 United States Census



## 10.1 Sphere of Influence (SOI) and District Recommendation

Because the District appears to be well-regulated and an active and effective partner with other agencies in planning for the many challenges of this complex area, it is recommended that LAFCO take no action other than affirming the present SOI of the District. This determination is influenced by the following findings:

- There is existing on-going litigation that may have a substantial effect upon the District and the other agencies within the Antelope Valley Groundwater Basin. The details of the litigation are not known to the project team, because the litigants cited issues of confidentiality when queried about the details, but there was agreement between the parties that the litigation is very important. Because the litigation may have the possibility of changing some basic relationships, it seems appropriate to not make any substantive changes at this juncture.
- ▶ The agencies within the Basin are actively addressing the problems in the area, and nothing has become evident that might result in negative outcomes if the only action that LAFCO takes is to reaffirm that the District's SOI remains coterminous with the District's boundaries.

Palmdale MSR





### Annendix A – Angeles National Forest Resolution

Parcel 1: All of that area included within the Littlerock Reservoir, Dam and Dam Site located in Sections 27 and 34, Township 5 North, Range 11 West, S.B.B.M., and that portion of said facilities located in unsurveyed Township 4 North, Range 11 West, S.B.B.M., all as shown on Pacifico Mountain Quadrangle 7.5 Minute Series Map edited and published by the Goological Survey dated 1959;

BID1772PG493

Parcel 2: That portion of the Federallyowned land which contains the Littlerock Reservoir water shed and drainage area including but not limited to Littlerock and Sanitago Canyon Creeks and their tributaries as may be delineated from the topography shown on the following Geological Survey Quadrangle Topographic Maps, mapped, edited and published by the United States Geological Survey in 1959:

> USGS Pacifico Mountain Quadrangle;

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RAY E. LEE, County Recorder

- (2) USGS Chilca Flat Quadrangle;
- (3) USGS Juniper Hills Quadrangle;
- (4) USGS Waterman Mountain Quadrangle;
- (5) USGS Valyermo Quadrangle;
- (6) USGS Crystal Lake Quadrangle.

\* \* \* \* \*

I, JAMES J. SLOAM, Secretary of the Board of Directors of Palmdale Irrigation District, do hereby certify that the foregoing is a true copy of a Resolution and Order duly adopted by said Board of Directors at a regular meeting thereof duly held and convened on the 24th day of September 1962, at which more than a quorum of said Board was present and acting throughout.

Dated this 24th day of

James J: Sloan
Secretary

I, RUSSELL E. FRANZEN, President of the Board of Directors of Palmdale Irrigation District, do hereby certify that the foregoing is a true copy of a Resolution and Order duly adopted by said Board of Directors at a regular meeting thereof duly held and convened on the 24th day of September

1962, at which more than a quorum of said Board was present and acting throughout.

Dated this 24th day of September , 1962.

Russell E. Franzen President

, 1962.

MSR

## Appendix B – SWP Contract

## STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES

# CONTRACT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES AND

PALMDALE IRRIGATION DISTRICT FOR A WATER SUPPLY

THIS CONTRACT, made this 2nd day of February 1963 pursuant to the provisions of the California Water Resources Development Bond. Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State", and Palmdale Irrigation District

a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in

Palmdale , California, herein referred to as the "Agency".

#### WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, funds will be provided under the California Water Resources Development Bond Act for the construction of said facilities; and

WHERFAS, the Agency is desirous of obtaining a supply of water from the State;

NOW THEREFORE, it is mutually agreed as follows:

#### A. INTRODUCTORY PROVISIONS

#### 1. DEFINITIONS

When used in this contract, the following terms shall have the meanings hereinafter set forth:

#### (a) Bond Ac

"Bond Act" shall mean the California Water Resources Development Bond Act, comprising Chapter 8 (commencing at Section 12930) of Part 6 of Division 6 of the Water Code.

#### (b) System

"System" shall mean the State Water Resources Development System as defined in Section 12931 of the Water Code.

#### (c) Delta

"Delta" shall mean the Sacramento-San Joaquin Delta as defined in Scction 12220 of the Water Code on November 8, 1960.

#### (d) Contractor

"Contractor" shall mean any entity contracting with the State for a dependable supply of water made available by the System, except such water as is made available by the facilities specified in Section 12934(d)(6) of the Water Code.

#### (e) Project Facilities

"Project facilities" shall mean those facilities of the System which will, in whole or in part, serve the purposes of this contract by conserving water and making it available for use in and above the Delta and for export from the Delta, and by conveying water to the Agency. Said project facilities shall consist specifically of "project conservation facilities" and "project transportation facilities", as hereinafter defined.

#### (f) Project Conservation Facilities

"Project conservation facilities" shall mean such project facilities as are presently included, or as may be added in the future, under (g) and (h) below.



Art. 17

#### 15. AREA SERVED BY AGENCY

### (a) State Approval of Sale of Water by Agency Outside Boundaries

Project water delivered to the Agency pursuant to this contract shall not be sold or otherwise disposed of by the Agency for use outside the Agency without the prior written consent of the State.

#### (b) State Approval of Change in Boundaries or Organization of Agency

While this contract is in effect no change shall be made in the Agency either by inclusion or exclusion of lands, by partial or total consolidation or merger with another district, by proceedings to dissolve, or otherwise, except with the prior written consent of the State or except by act of the Legislature.

#### (c) Map of Agency

)

The Agency shall provide the State with a map satisfactory to the State indicating the major existing distribution facilities and the boundaries of the Agency at the time the contract is signed and supplementary maps whenever a boundary change is made.

### 16. CONTINUITY AND DEPENDABILITY OF WATER SUPPLY

#### (a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,000,000 acre-feet of project water.

#### (b) State to Perfect Water Rights

The State shall make all reasonable efforts to perfect and protect water rights necessary for the System and for the satisfaction of water supply commitments under this contract.

#### (c) State to Report on Ability to Meet Future Water Demands

Commencing within two (2) years from the year of initial project water delivery to the Agency, the State shall submit to the agency at not more than five-year intervals a report on the State's ability to meet future demands for project water and for supplemental water, and on the State's plans for constructing additional project conservation facilities and supplemental conservation facilities. Such reports shall include all estimates, projections, and other data which the State deems relevant thereto.

#### (d) Construction of Additional and Supplemental Conservation Facilities

Bond funds required to be expended for the construction of additional facilities of the System under the provisions of Section 12938 of the Water Code shall be expended only for construction of additional project conservation facilities as defined herein, and related, appurtenant facilities necessary and desirable to meet local needs: *Provided*, That if at any time after 1985 the State finds that a part or all of such bond funds are not then required for the above purpose, and will not be so required within the next succeeding ten (10) years, such bond funds may be used, to the extent permitted in the Bond Act, to construct supplemental conservation facilities as defined herein.

#### (e) Furnishing of Supplemental Water

In planning and designing supplemental conservation facilities the State shall give consideration to the requirements and demands for supplemental water of the Agency and others who have contracted for project water. Entitlements to supplemental water shall be obtained, and repayment therefor shall be arranged, in contracts separate from contracts for project water.

#### 17. CONSTRUCTION OF PROJECT FACILITIES

#### (a) Determination of Aqueduct Capacities

Subject to the rights of the Agency under subdivision (b) of this article and the other provisions of this contract, the State shall provide in each aqueduct reach of the project transportation facilities such maximum monthly delivery capability for the transport and delivery of project water to the Agency as, in the judgment of the State, will best serve the interests of the Agency and all other contractors entitled to delivery of project water from or through said facilities: Provided, That within three (3) months after the effective date of this contract the Agency shall furnish to the State a written request specifying such maximum monthly delivery capabilities, and the State shall give full consideration to such request in planning and designing said facilities.

### (b) Criteria for Determining Capacity of Transportation Facilities

Subject to Article 45, the State shall design and construct the project transportation facilities so as to provide in each reach thereof, including reservoirs, the capacity necessary to enable delivery of project water in each year to the Agency and to other contractors in the maximum monthly amounts and at the locations, times, and maximum rates specified or provided for in their respective contracts for such year, and shall include in each such reach such capacity as is economically justified in the judgment of the State to compensate for scheduled outages for purposes of necessary investigation, inspection, maintenance, repair or replacement of project facilities, and for losses of water due to evaporation, leakage, seepage, or other causes: Provided, That regulatory storage reservoirs included

#### E. SPECIAL PROVISIONS AND TABLES

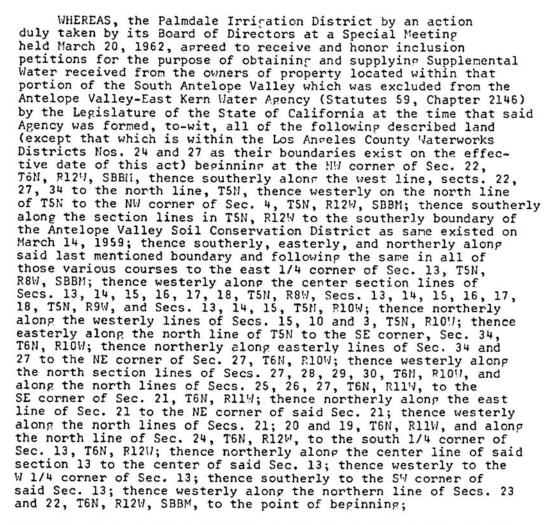
#### 45. SPECIAL PROVISIONS

- (a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: Provided, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: Provided further, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.
- (b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's Maximum Annual Entitlement at a continuous flow subject to the provisions of Article 17 (b). No capacity shall be provided for peaking.
- (c) The annexations to the Agency, authorized by Resolution No. 63-1 of the Board of Directors of the Agency dated January 14, 1963, are deemed to be approved by the department within the meaning of Article 15(b) and are generally described as the South Antelope Valley lands annexation, comprising approximately 100 square miles, situated easterly of the Agency and along the southern part of Antelope Valley.
- (d) Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the District Securities Commission.



#### PALMDALE IRRIGATION DISTRICT

#### RESOLUTION NO. 63-1



EXCEPT lands now located within a District or Agency that has the right, power and intention to contract or has contracted with the State of California, Department of Water Resources, for Supplemental Water. Such described land is hereafter referred to as "excluded land"; and

WHEREAS, since that time a substantial portion of the owners of said excluded land have petitioned this District for the inclusion of their lands into the District for the purpose of obtaining a Supplemental Water supply from the District under its pending water supply contract with the State of California, Department of Water Resources; and

WHEREAS, inclusion proceedings on said petitions have either been completed or are now being progressed; and

WHEREAS, the Palmdale Irrigation District is of the opinion that it would be of benefit to both the District and to the owners of the remaining land in said area that was excluded from the Antelope Valley-East Kern Water Agency by the Legislature when said Agency was formed if said land is included within said District

Palmdale MSR

20

Resolution No. 63-1

even after the District's contract for a Supplemental Water supply with the Department of Water Resources is completed.

NOW, THEREFORE, BE IT RESOLVED, that inclusion petitions for excluded land which is not within the boundaries of another contracting agency or district will be received and honored by said District either before or after the District's contract with the Department of Water Resources is completed and that said lands will be included within the District and receive and share in the District's contract water supply under the same terms and conditions as other lands now situate within the District.

## **Palmdale Water District**

Municipal Service Review

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Date

Russell E. Franzeh
President of its Board of Directors

James J. 816an Secretary of its Board of Directors



## Appendix C – Agency Correspondence



May 17, 2012

David Childs, City Manager City of Palmdale 38250 Sierra Highway Palmdale, CA 93550

Dear Mr. Childs:

Our meeting with you on May 17, 2012 is for the purpose of reviewing the last Mandatory Service Review (MSR) of the Palmdale Water District, dated August 17, 2004. State law requires an updated MSR every five years, and the Los Angeles Local Agency Formation Commission has retained Hogle-Ireland to prepare an updated MSR for the Palmdale Water District.

Some of the agencies we will be meeting with concerning the Palmdale Water District include your City; the Littlerock Creek Irrigation District; the Antelope Valley East Kern Water District; and Los Angeles Waterworks District 40.

What we hope our meeting with you will produce is a frank discussion on what may have happened or transpired concerning your City and the Palmdale Water District since its last MSR that may affect your City, which should be considered in an updated MSR.

In case you do not have a copy of the last MSR, we can provide you with a digital copy upon your request.

If you should have any questions prior to the meeting, please call me at our Irvine Office at 949-553-1427.

Sincerely,

Robert Kain, Project Manager Hogle-Ireland, Inc.

www.hogleireland.com

2860 Michelle Drive, Suite 100 | Irvine, CA 92606 t: 949.553.1427 | f: 949.553.0935

Palmdale MSR



Advance Planning | Community Design & GIS | I | Community Engagement | Contract Staffing | Entitlement Services | Environmental Planning

June 5, 2012

Adam Akiri, Principal Engineer LA Waterworks District 40 1000 S. Fremont Ave. Bldg. A9, 4<sup>th</sup> Floor Alhambra, CA 91803

Dear Mr. Akiri

Our meeting with you on June 5, 2012 is for the purpose of reviewing the last Mandatory Service Review (MSR) of the Palmdale Water District, dated August 17, 2004. State law requires an updated MSR every five years, and the Los Angeles Local Agency Formation Commission has retained Hogle-Ireland to prepare an updated MSR for the Palmdale Water District.

Some of the agencies we will be meeting with concerning the Palmdale Water District include the City of Palmdale, the Antelope Valley East Kern Water District; and Los Angeles Waterworks District 40.

What we hope our meeting with you will produce is a frank discussion on what may have happened or transpired concerning your District and the Palmdale Water District since its last MSR that may affect your District, which should be considered in an updated MSR.

In case you do not have a copy of the last MSR, we can provide you with a digital copy upon your request.

If you should have any questions prior to the meeting, please call me at our Irvine Office at 949-553-1427.

Sincerely,

Robert Kain, Project Manager Hogle-Ireland, Inc.

www.hogleireland.com

2860 Michelle Drive, Suite 100 | Irvine, CA 92606 t: 949.553.1427 | f: 949.553.0935



### Palmdale Water District 2012 MSR

### 1. How much population growth is anticipated within the agency service area and sphere of influence over the next 5, 10, 15 years?

The following table shows the projected population within PWD's sphere of influence. This information was taken from the 2010 Urban Water Management Plan (UWMP).

#### 2010 UWMP POPULATION PROJECTIONS

	2010	2015	2020	2025	2030	2035
Palmdale Water District	109,395	164,312	195,404	225,208	253,791	280,206
Annual Increase Over 5 Year Period	0.0%	10.0%	3.8%	3.1%	2.5%	2.1%

### 2. How much is municipal service demand anticipated to increase within the agency's sphere of influence over the next 5, 10, 15 years?

The following table shows the projected water demand within PWD's sphere of influence. This information was taken from the 2010 Urban Water Management Plan (UWMP).

#### 2010 UWMP WATER DEMAND PROJECTIONS

	2010	2015	2020	2025	2030	2035
Acre Feet Per Year (AFY)	19,800	35,000	40,000	45,000	55,000	60,000

#### 3. To what extent are the service providers able to meet anticipated growth in demand?

The District has adopted a Strategic Water Resources Plan (SWRP) that identifies a recommended strategy that would increase potential water supplies in PWD's service area from 30,000 Acre Feet/Year (AFY) to 65,000 AFY to meet projected demand in 2035. The SWRP identifies a means to meet 2035 water demand levels and eliminate that water balance deficit in the PWD service area, and identifies a recommended program of projects and actions to accomplish these goals.

The District also has adopted a Water System Master Plan that identifies facilities that are necessary to treat, store, and distribute projected water demands. The Water System Master Plan includes the following:

- Evaluation of the existing water system performance
- Evaluation of the future water system needs
- Development of a Capital Improvement Plan for future system improvements including facility costs
- Develop a financial plan for allocating costs of system modifications

August 2012 Page 63

### Palmdale Water District 2012 MSR

#### 4. What are the present and planned land uses within the existing sphere of influence?

The District's existing water service area is located almost entirely within the City limits of the City of Palmdale, and extends on its southern and eastern boundaries into the unincorporated areas of Los Angeles County that are within the City's sphere of influence. The District is bordered to the south and west by the San Gabriel Mountain Range, the north by the City of Lancaster, and the east by the unincorporated community of Little Rock. The County of San Bernardino is located immediately to the east. The District encompasses 47 square miles of mainly developed areas of the City and surrounding sphere of influence, with agricultural uses around its perimeter.

The City of Palmdale and the County have independent planning documents that guide the development of urban, agricultural, commercial, and other land uses within their jurisdictional boundaries.

### 5. What contiguous unincorporated areas could potentially be included in the agency's sphere of influence?

The District has been approached by a developer working on the development of the proposed Quail Valley Project, which is located at the southwest area of the District's service area. The development is partially inside the District service area and partially outside the District service area. The developer has preliminarily requested service for the entire project from PWD. PWD and the developer are still working through the feasibility of this proposal.

There is also a more recent inquiry from a developer working on a single family residential development north of the previously mentioned development that is entirely outside the District's service area and is located on the north side of Avenue S west of the District's boundary.

### 6. Which service provider(s) is (are) best equipped to serve the unincorporated areas contiguous to the agency boundaries?

The Quail Valley Project development described above is partially inside the District service area and partially outside the District service area and because the District has existing facilities in the area adjacent to the proposed development, PWD is most likely the best equipped to serve said development. The proposed demands for the Quail Valley Project have also been included in the District water supply planning documents.

### 7. What is the current capacity of public facilities and adequacy of public services that the local agencies are providing?

The District's current water supplies are as follows:

### Palmdale Water District 2012 MSR

- State Water Project: 21,300 Acre Feet per Year
- Littlerock Reservoir Diversion Right: 5,500 Acre Feet per Year
- · Groundwater Pumping Capacity: 12,000 Acre Feet per Year

The District continues to adequately provide water service and meet the demands of our existing and future customers through sound operation and planning of water supply, treatment, storage, and distribution facilities.

8. What opportunities exist for service providers in and near the agency boundaries to share public facilities to more effectively and efficiently deliver service?

PWD is a member agency of the Antelope Valley State Water Contractors Association that continues to plan for joint conjunctive use projects in the Antelope Valley.

PWD provides water service outside its boundaries. The water service is provided to properties that are adjacent to its boundaries and are within the boundaries of Antelope Valley - East Kern Water Agency (AVEK), another State Water Project contractor. The water service is provided under agreements with AVEK that allow for the exchanges of State Water Project water. The water services are provided by the District due to lack of infrastructure for AVEK or LACWW40 to service directly.

AVEK also provides similar water service to areas that are within PWD's boundaries that cannot currently be served directly by PWD.

9. Do the service providers of interest have adequate public facilities and other infrastructure to accommodate anticipated growth in service demand in the area?

Yes, the District has adopted a Strategic Water Resources Plan (SWRP) that identifies a recommended strategy that would increase potential water supplies in PWD's service area from 30,000 Acre Feet/Year (AFY) to 65,000 AFY to meet projected demand in 2035. The SWRP identifies a means to meet 2035 water demand levels and eliminate that water balance deficit in the PWD service area, and identifies a recommended program of projects and actions to accomplish these goals.

The District also has adopted a Water System Master Plan that identifies facilities that are necessary to treat, store, and distribute projected water demands. The Water System Master Plan includes the following:

- Evaluation of the existing water system performance
- · Evaluation of the future water system needs
- Development of a Capital Improvement Plan for future system improvements including facility costs

Palmdale MSR

August 2012 Page 65

### Palmdale Water District 2012 MSR

Develop a financial plan for allocating costs of system modifications

#### 10. What opportunities for rate restructuring exist?

The year 2000 water rate increase and restructuring introduced a five-tier increasing block rate system, an additional four-tiered elevation rate system, and preapproved increases for the next five years. The year 2005 water rate changes included updates from the year 2000 water rate study and again set five years of preapproved increases. However, in 2006, a California Supreme Court ruling invalidated any further increases without the District complying with Proposition 218 procedures to adjust the water rates. The District completed a Proposition 218 process in May 2009 that included water rate increases and restructured the water rate system. The water rate structure changed to water budgets for District customers that tailored the increasing block tiers to their water needs. This also set out five years of preapproved water rate increases as had been completed in earlier five-year plans. These consisted of a 14% increase in 2010 and 8% increases in the next three years. Changes in District financing plans and operations costs allowed the Board of Directors to eliminate the 14% increase in 2010 and reduce the 8% increase for 2011 to 5%. The 8% increase approved through the 2009 Proposition 218 process for 2012 was also avoided in the 2012 Budget. The District is scheduled to prepare an updated rate study prior to the end of 2014.

### 11. What government structure options exist relevant to the provision of water service in the areas of agencies, and what are the advantages and disadvantages of consolidating or reorganizing service providers?

The District was established in 1918 as the Palmdale Irrigation District. The primary function of the District is to provide retail water service to the central and southern portions of the City of Palmdale and adjacent unincorporated areas of Los Angeles County. Under the provisions of the California Water Code relating to the establishment of irrigation districts, the District has the power to carry out any act to provide sufficient water for present and future beneficial uses, including construction and operation of facilities to store, regulate, divert and distribute water for use within its boundaries. A Board of Directors, elected at large, with one representative from each of the five divisions, governs the District.

The District acts as a retailer of water supplies for municipal, residential, irrigation, commercial, industrial, and institutional users.

There are three mutual water companies (El Dorado, Westside Park, and Joshua Acres) that fall within the District's existing State Water Contract boundary where the mutual water companies provide retail service to the stakeholders.

Several years ago, the District analyzed the option of taking over retail service to the customers within the El Dorado and Westside Park Mutual Water Companies, but the stakeholders at the



### Palmdale Water District 2012 MSR

time were not interested in pursuing this option. The challenge associated with this option is the construction of a pipeline to connect the two water systems together.

Another potential is the District providing retail operations in the Juniper Hills/Pearblossom area that is currently within the Districts State Water Contract boundary but does not have facilities to provide retail service. The challenge associated with providing retail service in this area is the cost associated with the construction of a water delivery system.

### 12. To what extent are service providers in the area of interest accountable to population being served?

PWD is very accountable to the customers it serves and an example of accountability is the recent changes in the Board of Directors that may be attributed to unpopular direction and/or decisions made by the Board. The Board of Directors that govern the District is accountable to the population that elects them.

#### 13. What governance structures currently exist among the service providers of interest?

The District was established in 1918 as the Palmdale Irrigation District. The primary function of the District is to provide retail water service to the central and southern portions of the City of Palmdale and adjacent unincorporated areas of Los Angeles County. Under the provisions of the California Water Code relating to the establishment of irrigation districts, the District has the power to carry out any act to provide sufficient water for present and future beneficial uses, including construction and operation of facilities to store, regulate, divert and distribute water for use within its boundaries. A Board of Directors, elected at large, with one representative from each of the five divisions, governs the District.

The District acts as a retailer of water supplies for municipal, residential, irrigation, commercial, industrial, and institutional users.

14. What is the consultant's evaluation of current and potential management efficiencies as they relate to optimal service provision and optimal spheres of influence?

N/A



June 5, 2012

Adam Akiri, Principal Engineer LA Waterworks District 40 1000 S. Fremont Ave. Bldg. A9, 4<sup>th</sup> Floor Alhambra, CA 91803

Dear Mr. Akiri

As you may be aware as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 LA LAFCO is mandated to conduct Municipal Service Review (MSR) every five years. LA LAFCO has retained Hogle-Ireland, Inc. in conjunction with the Mocalis Group I, LLC to prepare a MSR for the Palmdale Water District. The LAFCO Commission must make determinations on six (6) topics required under the CKHA Act for purposes of adopting the MSR:

- 1. Growth and population projections in the affected area
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- Financial ability of agencies to provide services.
- 4. Status of, and opportunities for, shared facilities.
- Accountability for community service needs, including governmental structure and operational efficiencies.
- Any other matter related to effective or efficient service delivery, as required by Commission.

To assist us with the completion of the MSR and to better understand issues related to the provision of service in the area we are asking for you to provide, to the best of your ability, responses to the questions listed on the following page.

Thank you for your assistance,

Robert Kain Project Manager Hogle Ireland, Inc. Jim Mocalis President Mocalis Group I, LLC

www.hogleireland.com

2860 Michelle Drive, Suite 100 | Irvine, CA 92606 t: 949.553.1427 | f: 949.553.0935



1. How much population growth is anticipated within the agency service area and sphere of influence over the next 5, 10, 15 years?

	District No.	40 – Populatio	on Projection	94
2010	2015	2020	2025	2030
261,800	309,200	355,800	401,500	445,200

2. How much is municipal service demand anticipated to increase within the agency's sphere of influence over the next 5, 10, 15 years?

Distric	et No. 40 – Wa	ter Demand P	rojection (Acre	e-Feet)
2010	2015	2020	2025	2030
45,500	74,500	88,490	102,580	116,420

3. What is the current adequacy of service provided within the agency boundaries?

"District No. 40 requires new water supplies in order to meet any of its new projected demand." (Sect. 7.3.1, IRUWMP)

4. To what extent are the service providers able to meet anticipated growth in demand?

Growth will require new water supplies and infrastructures. "These supplies [projected demand] are anticipated to be acquired using the New Water Supply Fee (Developer Fee) described in Section 3.3 (of the 2010 IRUWMP)." (Sect. 7.3.1, IRUWMP)

5. What are the present and planned land uses within the existing sphere of influence?

Single-Family Residential, Multi-Family Residential, Commercial, Heavy Industry, Light Industry, Mixed Use, Non-Urban Residential, Public Areas, and Healthcare

6. What contiguous unincorporated areas could potentially be included in the agency's sphere of influence?

California Water Code Section 32400 (re: County Water Districts) states, "Land not a part of the district whether or not contiguous to it or to other portions added to the district, and consisting of any portion of the county wherein the district was formed or of any municipality therein, or of land in any county contiguous to the county wherein the district was formed or of any municipality therein, may be included within the district."

Policy No. 3.095, "City Annexations and Spheres of Influence," of the Los Angeles County Board of Supervisors Policy Manual, establishes policies for the review and consideration of city annexation proposals and for the establishment and updating

August 2012 Page 69

of city spheres of influence by LAFCO, which determine where future annexations are likely to occur.

7. Which service provider(s) is (are) best equipped to serve the unincorporated areas contiguous to the agency boundaries?

California Water Code Section 32400 (re: County Water Districts) states, "Land not a part of the district whether or not contiguous to it or to other portions added to the district, and consisting of any portion of the county wherein the district was formed or of any municipality therein, or of land in any county contiguous to the county wherein the district was formed or of any municipality therein, may be included within the district."

8. What is the current capacity of public facilities and adequacy of public services that the local agencies are providing?

What kind of capacity is the question referring to (i.e., storage, conveyance, etc.)?

We are providing adequate service.

9. What opportunities exist for service providers in and near the agency boundaries to share public facilities to more effectively and efficiently deliver services?

Working together with other agencies to prepare Integrated Urban Water Management Plans and Integrated Regional Water Management Plans for the Antelope Valley has facilitated regional planning efforts.

Interagency cooperative agreements and memorandums of understanding are other ways agencies can work together to share in the planning, design, construction, and operation of mutually beneficial facilities.

In accordance with Government Code Section 6500 et. al. (Joint Exercise of Powers Act), the County may form a joint-powers authority with another public agency. Under such an agreement, local governments enter into a cooperative agreement to provide any service that either of them could provide on their own.

10. Do the service providers of interest have adequate public facilities and other infrastructure to accommodate anticipated growth in service demand in the area?

Developers will build the public facilities and infrastructure required to accommodate the anticipated growth in service demand.

### Appendix C – Agency Correspondence



11. What cost avoidance opportunities, financing constraints and financing opportunities exist in providing water service to the area of interest?

Waterworks District No. 40, Antelope Valley, has avoided costs by transforming eight (8) former Districts into sub-Regions and consolidating them into District 40.

California Proposition 218, a law requiring local governments to have a vote of affected property owners for any proposed new or increased assessment before it could be levied, could be viewed as a financial constraint.

Examples of financing opportunities include state and federal funding opportunities, bonds, developer participation, and cooperative agreements with partner agencies.

12. How do cost avoidance opportunities, financing constraints and financing opportunities affect the optimal service delivery to areas contiguous to the agency?

The only significant constraint is water supply.

13. What opportunities for rate restructuring exist?

Assembly Bill No. 2882 was passed in 2008 and added Chapter 3.4 (Sections 370-374) to Division 1 of California Water Code, authorizing a public entity to adopt allocation-based conservation water pricing as a means of reducing wasteful or unreasonable uses of water.

14. What government structure options exist relevant to the provision of water service in the areas of agencies, and what are the advantages and disadvantages of consolidating or reorganizing service providers?

Assembly Bill No. 2882 was passed in 2008 and added Chapter 3.4 (Sections 370-374) to Division 1 of California Water Code, authorizing a public entity to adopt allocation-based conservation water pricing as a means of reducing wasteful or unreasonable uses of water.

California Public Utilities Code Sections 1501-1507 address duplication of service.

15. To what extent are service providers in the area of interest accountable to the population being served?

The District will exercise reasonable diligence and care under normal operating conditions to deliver a continuous supply of water to the customer at a reasonable pressure, and avoid unnecessary shortage or interruption in the service (Part 1, Section C of the Los Angeles County Waterworks Districts Rules and Regulations).

16. What governance structures currently exist among the service providers of interest?

Palmdale MSR

The Board of Supervisors of the County of Los Angeles is the governing body of each District pursuant to Division 16 of the State of California Water Code.

17. What is the consultant's evaluation of current and potential management efficiencies as they relate to optimal service provision and optimal spheres of influence?

Please identify the consultant and clarify the meaning of management efficiencies.



### **Palmdale Water District**

Municipal Service Review

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### **CITY OF PALMDALE**

1. How much population growth is anticipated within the agency service area and sphere of influence over the next 5, 10, 15 years?

Based on Palmdale Water District's 2010 Urban Water Management Plan, population growth over 2010 figures are as follows:

```
2015 - 164,312 - 10%
2020 - 195,404 - 3.8%
2025 - 225,208 - 3.1%
2030 - 253,791 - 2.5%
```

2. How much is municipal service demand anticipated to increase within the agency's sphere of influence over the next 5, 10, 15 years?

Based on Palmdale Water District's 2010 Urban Water Management Plan:

2010 – 19,800 AFY 2015 – 35,000 AFY 2020 - 40,000 AFY 2025 – 45,000 AFY 2030 – 55,000 AFY

3. What is the current adequacy of service provided within the agency boundaries?

Palmdale Water District is able to meet current demand service and based on their Strategic Water Resources Plan, they are able to meet future demand.

4. To what extent are the service providers able to meet anticipated growth in demand?

Palmdale Water District is able to meet anticipated growth based on their Strategic Water Resources Plan.

5. What are the present and planned land uses within the existing sphere of influence?

Palmdale Water District's existing water service area is mostly located within City limits. The City General Plan and Land Use Plan are on file with the City.

6. What contiguous unincorporated areas could potentially be included in the agency's sphere of influence?

There are proposed developments south and east of the existing Anaverde Development that could annex into Palmdale Water District's service area.



7. Which service provider(s) is (are) best equipped to serve the unincorporated areas contiguous to the agency boundaries?

Palmdale Water District

8. What is the current capacity of public facilities and adequacy of public services that the local agencies are providing?

The City of Palmdale is not a water purveyor.

- 9. What opportunities exist for service providers in and near the agency boundaries to share public facilities to more effectively and efficiently deliver services?
  - a. The use of recycled water
  - b. Use of water banks
- 10. Do the service providers of interest have adequate public facilities and other infrastructure to accommodate anticipated growth in service demand in the area?

Recycled water facilities need to be constructed. Water banks need to be developed.

11. What cost avoidance opportunities, financing constraints and financing opportunities exist in providing water service to the area of interest?

Not Applicable

12. How do cost avoidance opportunities, financing constraints and financing opportunities affect the optimal service delivery to areas contiguous to the agency?

Not Applicable

13. What opportunities for rate restructuring exist?

Not Applicable

14. What government structure options exist relevant to the provision of water service in the areas of agencies, and what are the advantages and disadvantages of consolidating or reorganizing service providers?

Palmdale Water District was established as an Irrigation District.

Palmdale MSR

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15. To what extent are service providers in the area of interest accountable to the population being served?

Palmdale Water District is governed by a five member board elected by the people.

16. What governance structures currently exist among the service providers of interest?

Palmdale Water District was established as an Irrigation District.

17. What is the consultant's evaluation of current and potential management efficiencies as they relate to optimal service provision and optimal spheres of influence?

Not Applicable



### **Palmdale Water District**

Municipal Service Review

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### **Staff Report**

#### November 14, 2012

### Agenda Item No. 7.a.

### Protest Hearing on Annexation No. 2012-06 to Mesa Heights Garbage Disposal District

On September 12, 2012 your Commission approved a request initiated by the County of Los Angeles as the governing board for the Mesa Heights Garbage Disposal District to annex 88.13± acres of inhabited territory into its boundaries, and for a commensurate amendment to its sphere of influence. The Protest Hearing pertaining to the annexation before you today will satisfy the requirements of Government Code Section 57000 *et seq*.

**Proposal Area:** The annexation consists of 218 existing single-family dwellings and 10 existing commercial units. The affected territory is completely built-out.

**Location:** The affected territory consists of eight (8) parcels, all located within County unincorporated territory. Parcel 1 is situated in the unincorporated community of West Fox Hills. Parcels 2 through 5 are situated in the unincorporated community of Ladera Heights. Parcels 6 and 7 are situated in the unincorporated community of View Park. Parcel 8 is situated in the unincorporated community of Windsor Hills.

Parcel 1 is located north of Jefferson Boulevard, east of Grosvenor Boulevard. Parcel 2 is located north of Centinela Avenue, west of Wooster Avenue. Parcel 3 is located west of La Cienega Boulevard, south of Stocker Street. Parcel 4 is located north of West Slauson Avenue, east of La Cienega Boulevard. Parcel 5 is located west of South La Brea Avenue, south of West Slauson Avenue. Parcel 6 is located south of Don Tomaso Drive, west of Valley Ridge Avenue. Parcel 7 is located south Don Tomaso Drive, east of Presidio Drive. Parcel 8 is located north of Slauson Avenue, east of Edgemar Avenue.

**Population:** The current estimated population is 723 residents.

**Registered Voters/Landowners:** As of May 25, 2012 the County Registrar Recorder - County Clerk certified that there were 374 registered voters residing within the subject proposal area. There are 241 landowners.

*Topography, Natural Boundaries and Drainage Basins:* The terrain is primarily hilly to the north and slopes southward.

**Zoning, Present and Future Land Use:** The territory is currently zoned R-1 (Single Family Residential), R-3 (Limited Multiple Residential), R-4 (Unlimited Residential), A-2 (Heavy Agriculture), C-3 (Unlimited Commercial), M-1 (Light Manufacturing), RPD-1-4U (Residential Planned Development), and R-4-DP (Unlimited Residential). The present land use is generally low to medium density residential and major commercial areas. There is no proposed land use change.

Staff Report – November 14, 2012 Mesa Heights Garbage Disposal District – Annexation No. 2012-06 Page 2

Surrounding Land Use: The land uses in the surrounding areas are generally residential and commercial. North of the proposed annexations, located in the Shenandoah Avenue and Gold Leaf Circle areas, are industrial land which is occupied by an existing oil field and a government-owned property (Kenneth Hahn State Recreation Area).

Assessed Value: The total assessed value of land for Assessor roll year 2012 is \$112,593,822.

Governmental Services and Control, Availability and Adequacy: The County will continue to provide services.

*Effects on agricultural or open-space lands*: A portion of the annexation territory is zoned heavy agricultural. No agriculture activities exist and the annexation is fully developed. There are no existing open space lands within the annexation area.

**Boundaries and Lines of Assessment:** The boundaries of this territory have been clearly defined and correspond to lines of assessment or ownership.

*Sphere of Influence:* An SOI amendment was required for the Mesa Heights Garbage Disposal District. The SOI amendment was approved at the September 12, 2012 Commission Hearing.

**Tax Resolution:** All affected agencies have adopted a negotiated tax exchange resolution.

*CEQA*: The annexation is categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15319(a), because it is an annexation containing existing structures developed to the density allowed by current zoning. The County approved a Categorical Exemption on April 24, 2012.

*Correspondence*: No correspondence has been received.

### **Recommended Action:**

- 1. Open the protest hearing and receive written protests.
- 2. Close the protest hearing.
- 3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of the protests filed and not withdrawn and report back to the Commission with the results.

Staff Report – November 14, 2012 Mesa Heights Garbage Disposal District – Annexation No. 2012-06 Page 3

4. Based upon the results of the protest hearing either adopt a resolution terminating the annexation proceedings if a majority protest exists, ordering Annexation No. 2012-06 to the Mesa Heights Garbage Disposal District directly, or ordering the annexation subject to confirmation by the registered voters of the affected territory.

# RESOLUTION NO. 2012-00PR RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR LOS ANGELES COUNTY MAKING DETERMINATIONS ORDERING "ANNEXATION NO. 2012-06 TO THE MESA HEIGHTS GARBAGE DISPOSAL DISTRICT"

WHEREAS, the County of Los Angeles as the governing board of the Mesa Heights
Garbage Disposal District (the "District") filed an application to initiate proceedings before the
Local Agency Formation Commission for the County of Los Angeles (the "Commission"),
pursuant to Title 5, Division 3, commencing with section 56000, the Cortese-Knox-Hertzberg
Local Government Reorganization Act of 2000, for an annexation of territory to the District and
for a simultaneous amendment to the Sphere of Influence (SOI) of the District; and

WHEREAS, the principal reason for the proposed annexation and amendment to the SOI was to provide garbage disposal services including refuse, recycling, and green waste collection to 218 existing single-family dwellings and 10 existing commercial units; 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 territory consists of 88.13± acres and is inhabited; and

WHEREAS, the short-form designation given this proposal is "Annexation No. 2012-06 to Mesa Heights Garbage Disposal District"; and

WHEREAS, on September 12, 2012 the Commission approved Annexation No. 2012-06 to Mesa Heights Garbage Disposal District and the related SOI amendment; and

WHEREAS, pursuant to Government Code Section 57002, the Executive Officer of the Commission has set November 14, 2012 as the date for the protest hearing pertaining to the annexation and has given notice thereof; and

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

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of tabulating the value of protests filed and not withdrawn and either terminating these proceedings if a majority protest exists or ordering the annexation directly or subject to confirmation by the registered voters.

### NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. The Commission finds that the number of registered voters within the boundary of the territory is 374, and the number of property owners is 241, and the total assessed value of land within the affected territory is \$112,593,822.
- 2. The Commission finds that the number of written protests filed in opposition to Annexation No. 2012-06 to the Mesa Heights Garbage Disposal District and not withdrawn is \_\_\_\_, which, even if valid, represents less than 25 percent of the number of registered voters residing within the boundaries of the affected territory, and less than 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.
- 3. The Commission herby orders the annexation of the territory described in Exhibits "A" and "B" hereto, to the Mesa Heights Garbage Disposal District.
- 4. Pursuant to Government Code section 56886, the annexation shall be subject to the following terms and conditions:
  - a. The territory so annexed shall be subject to the payment of such service charges,

Resolution No. 2012-00PR

Page 3

assessments or taxes as the Mesa Heights Garbage Disposal District may legally

impose.

b. The regular County assessment roll is utilized by the Mesa Heights Garbage

Disposal District.

c. The affected territory will be taxed for existing bonded indebtedness, if any, of

the Mesa Heights Garbage Disposal District.

d. Except to the extent in conflict with a through c, above, the general terms and

conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California

Government Code (commencing with Government Code section 57325) shall

apply to this annexation.

5. The Executive Officer is directed to transmit a certified copy of this resolution to the

General Manager of the District, upon the District's payment of the applicable fees

required by Government Code Section 54902.5, and prepare, execute and file a

certificate of completion with the appropriate public agencies, pursuant to Government

Code Section 57000, et seq.

PASSED AND ADOPTED this 14<sup>th</sup> day of November 2012.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

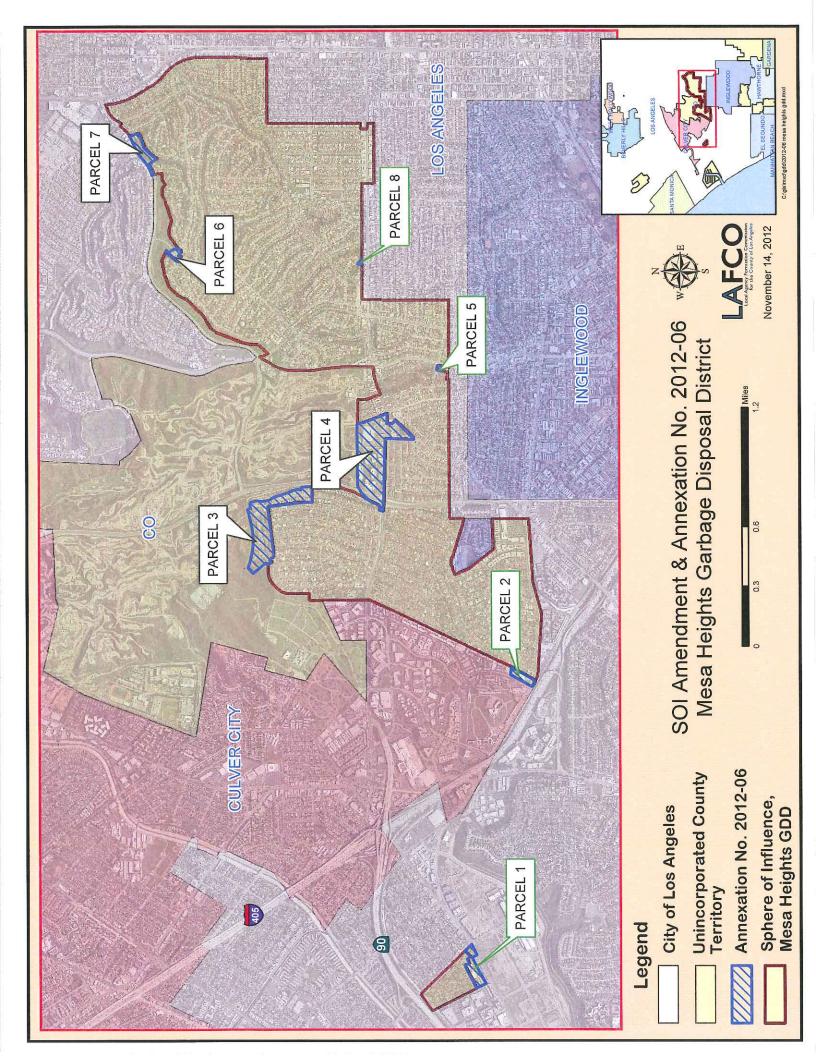
ABSENT:

MOTION PASSES:

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

\_\_\_\_\_

PAUL A. NOVAK, Executive Officer



### **Staff Report**

### **November 14, 2012**

### Agenda Item No. 8.a. As-Needed Alternate Legal Counsel

Government Code Section 56384 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 empowers the Commission "to appoint legal counsel," and, if the Commission's legal counsel is subject to a conflict of interest on a matter before the Commission, to appoint "alternate legal counsel."

Attorneys in the Office of the County Counsel of Los Angeles County serve as LAFCO's legal counsel. Earlier this year the Commission initiated a process to select a firm (or firms) to serve s As-Needed Alternate Legal Counsel in the event it is determined that the County Counsel's Office is subject to an actual or potential conflict of interest on a matter before the Commission.

In July of this year, and in response to a Request for Statements of Qualifications (RFSQ) for As-Needed Alternate Legal Counsel, eight law firms submitted responses to LAFCO. LAFCO Chair Gladbach appointed four commissioners to serve on an As-Needed Alternate Legal Counsel Ad-Hoc Committee to review the submittals.

The As-Needed Alternate Legal Counsel Ad-Hoc Committee met on August 26, 2012. Based upon a thorough evaluation of all eight submittals, the Committee recommended that the Commission enter into contracts with the following five law firms (with the lead attorney's name in parentheses, followed by the location of his or her office) to serve on a bench of as-needed alternate legal counsel to the Commission:

- Best Best & Krieger (Matthew E. "Mal" Richardson, Irvine office);
- Meyers Nave (Deborah J. Fox, Los Angeles office);
- Miller & Owen (Nancy C. Miller, Sacramento office);
- Nossaman LLP (Lloyd W. "Bill" Pellman, Los Angeles office); and
- Woodruff, Spradlin & Smart (Benjamin P. de Mayo, Costa Mesa office).

The proposed billing rate for the firms submitting proposals to LAFCO ranged from a low of \$220/hour to a high of \$450/hour. In the interest of fairness and consistency, the Committee recommended that LAFCO contract with each of the five recommended firms at a uniform, "blended" billing rate of \$325 per hour, whereby each of the firms, and all of the attorneys within each firm, would bill at that rate, rather than a range of billing rates within firms or among firms. The Executive Officer has confirmed that the \$325 blended billing rate is acceptable to the five firms listed above.

As-Needed Alternate Legal Counsel Staff Report November 14, 2012 Page 2 of 2

The contracts will be drafted to provide that the firms are not guaranteed any future work on behalf of the LAFCO. The Commission, or its designee, will determine in its sole discretion which of the firms may be called upon to provide legal advice on an as-needed basis.

Based upon input from the Commission, the Committee discussed the merits of including a contract provision that would prohibit a firm from advertising its role as LAFCO's As-Needed Alternate Legal Counsel. Because law firms are obligated to disclose existing and former client relationships, and with the purpose of avoiding conflicts of interest, the Committee concluded that such a restriction was unwarranted. The Committee did direct staff, however, to include language in each contract indicating that a firm could only advertise that it is "one of several" firms serving as LAFCO's bench of as-needed alternate legal counsel, or similar language to that effect. In addition, to the extent that a firm is ultimately engaged to represent LAFCO on a specific matter, the firm would have the opportunity to advertise or otherwise publicly disclose the fact of such representation.

### **Recommended Action:**

- Direct the Executive Officer to negotiate individual contracts, approved as to form by Legal Counsel, with the firms of Best Best & Krieger; Meyers Nave; Miller & Owen; Nossaman LLP; and Woodruff, Spradlin & Smart to serve as LAFCO's As-Needed Alternate Legal Counsel; and
- 2. Upon the conclusion of contract negotiations, agendize each contract for Commission approval at a future meeting.

### **Staff Report**

### **November 14, 2012**

#### Agenda Item No. 8.b.

### **Conflict of Interest Code Update**

LAFCO has an adopted Conflict of Interest Code (copy enclosed) that identifies commissioners and certain employees who are required to file annual Statements of Economic Interests with the Fair Political Practices Commission (FPPC). LAFCO's existing Conflict of Interest Code requires that all LAFCO Commissioners and the Executive Officer file the annual Statements of Economic Interests.

State law requires that all public agencies perform a Biennial Review and submit any changes to the Los Angeles County Board of Supervisors. Based upon the criteria identifying which positions/individuals should file these statements, staff believes, with the concurrence of LAFCO counsel, that the Deputy Executive Officer and LAFCO counsel should be added to the existing Conflict of Interest Code.

Staff has drafted a letter to the Los Angeles County Board of Supervisors and prepared a "Conflict of Interest Code Amendment Form for Adding a Position" to add the Deputy Executive Officer and LAFCO Counsel (copies attached).

### **Staff Recommendation:**

Staff recommends that the Commission:

- 1) Approve the proposed update to the LAFCO Conflict of Interest Code; and
- 2) Direct the Executive Officer to transmit the letter and the completed "Conflict of Interest Code Amendment Form for Adding a Position" to the Los Angeles County Board of Supervisors.

### Conflict of Interest Code Of the

#### LOCAL AGENCY FORMATION COMMISSION

### Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

### Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board Members, Governing Board Members, Alternate Board Members, as appropriate, and its agency head (Agency/Department Head, Executive Officer or Chief Executive Officer, Superintendent, or Director), and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

(6/02) (Rev.)

#### LOCAL AGENCY FORMATION COMMISSION

#### **EXHIBIT "A"**

### **CATEGORY 1**

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose property used primarily as their residence or for personal recreational purposes.

### **CATEGORY 2**

Persons in this category shall disclose all investments and business positions.

### **CATEGORY 3**

Persons in this category shall disclose all income and business positions.

### **CATEGORY 4**

Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned to this disclosure category.

#### **CATEGORY 5**

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the executive officer (or head) of the agency.

### LOCAL AGENCY FORMATION COMMISSION

### EXHIBIT "B"

Designated Positions	Disclosure Categories		
Commissioners	1, 2, 3		
Executive Officer	1, 2, 3		
Consultant	5		

EFFECTIVE: August 10, 2005



## County of Los Angeles Conflict of Interest Code Amendment Form for Adding a Position

Name of Agency: Local Agency Formation Commission (LAFCO)
Name of Agency Code Officer: Paul A. Novak Date: 11-14-12
My agency has added the following position(s):
Designated Position Title - Deputy Executive Officer
Justification for Addition:  This individual makes decisions, or recommendations which are generally approved by the individual's supervisor without substantial review, relative to matters involving personnel management (salaries, promotions, re-assignments, discipline); the awarding of contracts to consultants; expenditures of LAFCO funds; coordination with the agency's outside auditors; and purchasing of equipment (furniture, computer and telephone systems) and office supplies. It is recommended that this individual file under disclosure categories 1, 2, and 3.
Designated Position Title - Legal Counsel
Justification for Addition: This individual serves as general legal counsel to the Commission, and provides legal advice and services to the Commission on a full range of legal issues and matters. It is recommended that this individual file under disclosure categories 1, 2, and 3.
Designated Position Title
Justification for Addition:
Designated Position Title -
Justification for Addition:

November < Date >, 2012



Los Angeles County Board of Supervisors c/o Ms. Sachi Hamai, Executive Officer Room 383, Hall of Administration 500 West Temple Street Los Angeles, CA 90012

Honorable Supervisors:

On behalf of the Local Agency Formation Commission for the County of Los Angeles ("LAFCO" or "Commission"), I am writing to request that an amendment to LAFCO's Conflict of Interest Code be agendized at an upcoming meeting for your approval.

At its meeting of November 14<sup>th</sup>, 2012, the Commission voted to amend the Conflict of Interest Code (a copy of the LAFCO staff report is enclosed). The amendment involves adding positions for Deputy Executive officer and Legal Counsel. I have completed the County of Los Angeles "Conflict of Interest Code Amendment for adding a Position" (enclosed) to reflect the Commission's November 14<sup>th</sup> action.

Should you have any questions, please feel free to contact me at 626/204-6500.

Thank you.

Sincerely,

Paul A. Novak, AICP Executive Officer