



Local Agency Formation Commission
for the County of Los Angeles

Commission

Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerard McCallum
2nd Vice-Chair

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

Alternate Members

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

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

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

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REGULAR MEETING

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

June 13, 2018

Present:

Jerry Gladbach, Chair

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

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

Adriana Romo, Deputy Executive Officer
Carole Suzuki, Legal Counsel

Absent:

Richard Close

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

1 CALL MEETING TO ORDER

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

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Jerry Gladbach.

WELCOMING NEW COMMISSIONER MITCH ENGLANDER

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

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

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

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

The DEO read an announcement, asking that persons who made a campaign contribution of more than \$250 to any member of the Commission during the past twelve (12) months to rise and state for the record the Commissioner to whom such campaign contributions were made and the item of their involvement. Paul Rowley indicated that he was not sure if a monetary contribution was given to Supervisor Hahn, or if a campaign contribution was made by a political action committee to which he belongs. Mr. Rowley indicated he was at today's meeting for Agenda Item 9.a.

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

4 SWEARING-IN OF SPEAKER(S)

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

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

None.

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

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

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

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

7 PUBLIC HEARING(S)

None.

8 PROTEST HEARING(S)

The following item was called for consideration:

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

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

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

The Commission took the following action:

- Adopted the Resolution Making Determinations Ordering Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County; Resolution No. 2018-03PR.

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

ABSTAIN: None.
ABSENT: Close

9 OTHER ITEMS

The following item was called up for consideration:

a. Sativa County Water District Update.

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

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

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

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

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

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

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

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

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

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

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

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

Mark Ravis (Attorney at Law) came before the Commission. Mr. Ravis noted that several residents who live within the District retained him as their attorney. Mr. Ravis stated that residents within the District are paying for water that they cannot use. Mr. Ravis indicated that the customer satisfaction survey conducted by the District is inadequate and inaccurate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Commission took the following actions:

- Continue discussions with other public agencies, with the goal of identifying a public agency willing to serve as the successor agency; and/or
- Continue discussions with City of Compton representatives, in order to determine whether Compton will proceed to submit an application to LAFCO to detach a portion of the District (that portion within city boundaries); and/or
- Continue discussions with state legislative representatives to determine if legislation can be introduced to: one, provide liability relief to a future successor agency and/or future service provider, and two, to provide authority and/or funding for the State Water Boards to install a state administrator in the District; and/or
- Prepare a resolution initiating dissolution of the Sativa County Water District, to be agendized for the July 11th Commission meeting, and to provide the 21-day advance public notice (newspaper, landowners, and/or registered voters) as required by the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000.

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

As amended, the Commission took the following additional action:

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

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

10 LEGISLATION

The following item was called up for consideration:

- a. Legislative Update (Amended).

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

The Commission took the following actions:

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

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

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

NOES: None.

ABSTAIN: None.

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

11 MISCELLANEOUS CORRESPONDENCE RECEIVED

None.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

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

14 PUBLIC COMMENT

None.

15 FUTURE MEETINGS

July 11, 2018

August 8, 2018

September 12, 2018

October 10, 2018

16 FUTURE AGENDA ITEMS

None.

17 ADJOURNMENT MOTION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Paul Novak', with a long horizontal flourish extending to the right.

Paul Novak, AICP
Executive Officer

**RESOLUTION NO. 2018-03PR
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ORDERING
"ANNEXATION NO. 426 TO THE COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY"**

WHEREAS, the County Sanitation District No. 14 of Los Angeles County (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Lancaster; and

WHEREAS, the proposed annexation consists of approximately 237.25± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal to 753 proposed single-family homes; and

WHEREAS, on April 11, 2018, the Commission approved Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for June 13, 2018 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED as follows:

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

3. The Commission finds that the number of written protests filed in opposition to Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County and not withdrawn is 0, which, even if valid, represents owners of land who own less than 50 percent of the assessed value of land within the affected territory.
4. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
5. The affected territory consists of 237.25± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County"
6. Annexation No. 426 to the County Sanitation District No. 14 of Los Angeles County is hereby approved, subject to the following terms and conditions:
 - a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
 - b. The effective date of the annexation shall be the date of recordation.
 - c. Payment of Registrar- Recorder/County Clerk and State Board of Equalization fees.

- d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
 - e. The regular County assessment roll shall be utilized by the District.
 - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
 - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
 - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
7. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the County Sanitation District No. 14 of Los Angeles County.
 8. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

PASSED AND ADOPTED this 13th day of June 2018.

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

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



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