



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
John Mirisch
David Ryu
Hilda Solis

Alternate Members

Lori Brogin-Falley
Sheila Kuehl
David Lesser
Judith Mitchell
Joseph Ruzicka
Vacant
(City of Los Angeles)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Michael Henderson
Alisha O'Brien

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

www.lalafco.org

LIVE VIRTUAL COMMISSION MEETING

LOCAL AGENCY FORMATION COMMISSION

Wednesday, January 13, 2021
9:00 a.m.

This meeting will be conducted as a virtual meeting with telephone 1-415-655-0001 (Access Code: 145 543 3173) and web access (<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/onstage/g.php?MTID=e7de69c29b263c6e663964d598df15ac8>), pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, under the modified laws of the Ralph M. Brown Act for the COVID-19 emergency, as well as the County of Los Angeles "Safer at Home Order for Control of COVID-19".

FOR MEMBERS OF THE PUBLIC

TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:

1-415-655-0001
Access Code: 145-543-3173 (English)

OR TO LISTEN VIA WEB AND PROVIDE COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/onstage/g.php?MTID=e7de69c29b263c6e663964d598df15ac8>

TO PROVIDE WRITTEN PUBLIC COMMENT: Any interested person may submit written opposition or comments by email at info@lalafco.org prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m. on the business day preceding the date set for hearing/proceedings in order to be deemed timely and to be considered by the Commission. Any written opposition and/or comments will be read during the meeting for a maximum of three (3) minutes per comment, per item.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at www.lalafco.org

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR GLADBACH**
3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**
4. **SWEARING-IN OF SPEAKER(S) AND PUBLIC TESTIMONY/COMMENT**
5. **INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE**

None.

6. **CONSENT ITEM(S)**

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

- a. Approve Minutes of November 18, 2020.
- b. Approve Operating Account Check Register for the month of November, 2020.
- c. Receive and file update on Pending Proposals.

7. **PUBLIC HEARING(S)**

- a. Reorganization No. 2017-10 to the Las Virgenes Municipal Water District; and California Environmental Quality Act (CEQA) exemption.

8. **PROTEST HEARING(S)**

None.

9. **OTHER ITEMS**

- a. Commission Meeting Schedule for Calendar Year 2021.
- b. Proposed Memorandum of Understanding with Kern LAFCO.
- c. Recommendation to Award Contract for Audit Services to DavisFarr LLP.

10. **LEGISLATION**

None.

11. **MISCELLANEOUS CORRESPONDENCE**

None.

12. **COMMISSIONERS' REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

13. **EXECUTIVE OFFICER'S REPORT**

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

- a. Written Update
- b. Verbal Update

14. **FUTURE MEETINGS**

February 10, 2021

March 10, 2021

April 14, 2021

15. **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.

16. **ADJOURNMENT**

DRAFT

Commission
Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerard McCallum
2nd Vice-Chair

Kathryn Barger
Richard Close
Margaret Finlay
John Mirisch
David Ryu
Hilda Solis

Alternate Members
Lori Brogin-Falley
Sheila Kuehl
David Lesser
Judith Mitchell
Joseph Ruzicka
Vacant
(City of Los Angeles)

Staff
Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Michael Henderson
Alisha O'Brien

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

www.lalafco.org

SPECIAL MEETING

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES LIVE VIRTUAL MEETING

November 18, 2020

Present:

Jerry Gladbach, Chair

Kathryn Barger
Richard Close
Margaret Finlay
Gerard McCallum
John Mirisch
David Ryu

David Lesser, Alternate
Mel Matthews, Alternate
Judith Mitchell, Alternate

Paul Novak, Executive Officer
Carole Suzuki, Legal Counsel

Absent:

Donald Dear
Hilda Solis

Lori Brogin-Falley, Alternate
Sheila Kuehl, Alternate

Vacant:

City of Los Angeles, Alternate Member

1 CALL MEETING TO ORDER

The meeting was called to order at 9:02 a.m. as a live virtual Commission meeting, with public comment accepted via email or phone through the conclusion of public testimony.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Gladbach.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

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

ANNOUNCEMENT

The EO noted that today's meeting was conducted pursuant to the provisions of the Governor's Executive Orders No-25-20 and N-29-20, under the modified laws of the Ralph M. Brown Act for the COVID-19 emergency, as well as the County of Los Angeles "Safer at Home Order for Control of COVID-19." LAFCO's legal counsel reviewed the notifications and agenda and has confirmed that the conduct of the meeting is consistent with State law as modified by the Governor and County orders.

The EO noted that all public hearing notices, and the agenda, clearly stated that interested persons were afforded the opportunity to submit written opposition or comments by email, or via United States mail. For any communications received after the agenda was posted, staff has forwarded copies via e-mail to the Commission (None). LAFCO staff continued to monitor e-mail and comments received during the meeting and prior to the conclusion of each hearing item were read to the Commission (None).

4 PUBLIC COMMENT / SWEARING-IN OF SPEAKER(S)

The EO swore in members of the audience who planned to testify (None).
The EO called on members of the public to provide comment (None).

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

None.

6 CONSENT ITEM(S)

The Commission took the following actions under Consent Items:

- a. Approved Minutes of October 14, 2020.

- b. Approved Operating Account Check Register for the month of October 2020.
- c. Received and filed update on Pending Proposals.

MOTION: Finlay SECOND: McCallum APPROVED: 6-0-0
AYES: Close, Finlay, Matthews (Alt. for Dear), McCallum, Mirisch, Gladbach
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Dear, Ryu, Solis

7 PUBLIC HEARING(S)

None.

8 PROTEST HEARING(S)

None.

9 OTHER ITEMS

The following item was called up for consideration:

- a. Presentation by Pamela Miler, Executive Director, California Association of Local Agency Formation Commissions (CALAFCO).

The EO summarized the staff report and introduced Pamela Miller (California Association of Local Agency Formation Commissions (CALAFCO), Executive Director), who made a presentation concerning CALAFCO benefits, activities and plans.

[Commissioner Ryu arrived at 9:19 a.m.]

Commissioner Mirisch indicated that Los Angeles LAFCO represents one-fourth of the population of the State of California, but it does not have one-fourth of the membership on the CALAFCO Board of Directors. Ms. Miller responded that representation has been a long-standing issue within CALAFCO, and that the membership voted several years ago to change from a board of directors whose members were elected “at large” (in which LA was very under-represented) to a board of directors whose members are appointed by each of the four CALAFCO geographical regions. The Board now includes four members from each of these four regions (Central, Coastal, Northern, and Southern Regions).

The Commission thanked Ms. Miller for her leadership and teamwork within CALAFCO.

The Commission took the following action:

- Received and filed the presentation from Pamela Miller (CALAFCO, Executive Director).

MOTION: Finlay SECOND: Mirisch APPROVED: 7-0-0
AYES: Close, Finlay, Matthews (Alt. for Dear), McCallum, Mirisch, Ryu, Gladbach
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Dear, Solis

9 OTHER ITEMS

The following item was called up for consideration:

- b. Request to form an Ad Hoc Committee to Consider a Lease Extension.

The EO summarized the staff report concerning this item.

[Commissioner Barger arrived at 9:41 a.m.]

The Commission took the following action:

- Appointed Commissioner Dear (1st Vice-Chair), Commissioner McCallum (2nd Vice-Chair), and Chair Gladbach as members to serve on an ad hoc committee to advise the Executive Officer concerning a potential lease extension.

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

10 LEGISLATION

None.

11 MISCELLANEOUS CORRESPONDENCE

None.

12 COMMISSIONERS' REPORT

None.

13 EXECUTIVE OFFICER'S REPORT

The EO and Chair Gladbach wished Commissioners, legal counsel, and staff happy holidays and a healthy, safe New Year's.

CHAIR ANNOUNCEMENTS

Chair Gladbach indicated that this was Commissioner Judy Mitchell's last LAFCO meeting, as she chose not to run for re-election to the Rolling Hills Estates City Council. Chair Gladbach indicated Commissioner Mitchell had served with LAFCO since 2005; and the Commission congratulated her retirement and wished her well in future endeavors. Commissioner Mitchell indicated that it was an honor and privilege to serve as a Commissioner and thanked the Commission and the Executive Officer their leadership.

Chair Gladbach stated that this was Commission Ryu's last LAFCO meeting. Commissioner Ryu served on LAFCO since 2016 as an Alternate voting member. Chair Gladbach and the Commission thanked Commissioner Ryu for his service and wished him well in future endeavors. Commission Ryu thanked the Commission for their leadership and for building friendships within the organization.

14 FUTURE MEETINGS

January 13, 2021
February 10, 2021
March 10, 2021

15 FUTURE AGENDA ITEMS

None.

16 ADJOURNMENT MOTION

On motion by Chair Gladbach, the live virtual meeting was adjourned at 10:02 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

11:21 AM
12/03/20
Cash Basis

LA LAFCO Register Report November 2020

Type	Date	Num	Name	Paid Amount	Balance
Nov 20					
Check	11/02/2020	WIRE	TRPF 80 South Lak...	-9,278.97	-9,278.97
Bill Pmt -Check	11/12/2020	10804	Eide Bailly	-380.45	-9,659.42
Bill Pmt -Check	11/12/2020	10805	Certified Records M...	-687.05	-10,346.47
Bill Pmt -Check	11/12/2020	10806	Charter Communica...	-551.98	-10,898.45
Bill Pmt -Check	11/12/2020	10807	CoreLogic	-28.80	-10,927.25
Bill Pmt -Check	11/12/2020	10808	County Counsel	-13,521.40	-24,448.65
Bill Pmt -Check	11/12/2020	10809	CTS Clouds Solutions	-637.50	-25,086.15
Bill Pmt -Check	11/12/2020	10810	Davis Farr LLP	-5,500.00	-30,586.15
Bill Pmt -Check	11/12/2020	10811	ESRI	-3,400.00	-33,986.15
Bill Pmt -Check	11/12/2020	10812	FedEx	-123.47	-34,109.62
Bill Pmt -Check	11/12/2020	10813	LACERA-OPEB	-6,600.23	-40,709.85
Bill Pmt -Check	11/12/2020	10814	Promac Image Syst...	-65.96	-40,775.81
Bill Pmt -Check	11/12/2020	10815	RSG, Inc.	-5,642.50	-46,418.31
Bill Pmt -Check	11/12/2020	10816	Wells Fargo	-469.75	-46,888.06
Bill Pmt -Check	11/12/2020	10817	Yvonne Green CPA	-262.50	-47,150.56
Check	11/13/2020	DD	Ambar De La Torre	-2,128.32	-49,278.88
Check	11/13/2020	DD	Douglass S Dorado	-3,123.36	-52,402.24
Check	11/13/2020	DD	Michael E Henderson	-2,382.56	-54,784.80
Check	11/13/2020	DD	Adriana L Flores	-1,158.08	-55,942.88
Check	11/13/2020	DD	Paul A Novak	-5,963.20	-61,906.08
Check	11/13/2020	DD	Alisha O'Brien	-2,450.79	-64,356.87
Check	11/13/2020	DD	Federal Tax Deposit	-3,381.21	-67,738.08
Check	11/13/2020	DD	State Income Tax	-985.26	-68,723.34
Check	11/27/2020	61358...	Kathryn Barger	-133.00	-68,856.34
Check	11/27/2020	DD	Richard Close	-138.53	-68,994.87
Check	11/27/2020	61358...	Margaret E Finlay	-138.52	-69,133.39
Check	11/27/2020	61358...	Edward G Gladbach	-138.53	-69,271.92
Check	11/27/2020	DD	David J Lesser	-138.53	-69,410.45
Check	11/27/2020	DD	Gerard McCallum II	-138.52	-69,548.97
Check	11/27/2020	DD	John A Mirisch	-138.52	-69,687.49
Check	11/27/2020	61358...	Judith M Mitchell	-138.53	-69,826.02
Check	11/27/2020	DD	David E Ryu	-138.52	-69,964.54
Check	11/27/2020	DD	Federal Tax Deposit	-187.99	-70,152.53
Check	11/27/2020	ADP	ADP	-138.87	-70,291.40
Check	11/27/2020	ADP	ADP	-39.37	-70,330.77
Check	11/30/2020	DD	Federal Tax Deposit	-3,916.55	-74,247.32
Check	11/30/2020	DD	Federal Tax Deposit	-3,771.36	-78,018.68
Check	11/30/2020	DD	State Income Tax	-1,054.81	-79,073.49
Check	11/30/2020	DD	Ambar De La Torre	-2,128.32	-81,201.81
Check	11/30/2020	DD	Douglass S Dorado	-3,123.35	-84,325.16
Check	11/30/2020	DD	Adriana L Flores	-1,281.96	-85,607.12
Check	11/30/2020	DD	Michael E Henderson	-2,382.55	-87,989.67
Check	11/30/2020	DD	Paul A Novak	-5,943.76	-93,933.43
Check	11/30/2020	DD	Alisha O'Brien	-2,450.79	-96,384.22
Check	11/30/2020	DD	Adriana Romo	-3,150.49	-99,534.71
Nov 20				-99,534.71	-99,534.71

AGENDA ITEM NO. 6.c. January 13, 2021							
PENDING PROPOSALS As of December 8, 2020							
		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	5/16/2006	Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40	New Anaverde, LLC	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete filing: CEQA, registered voter labels, landowner labels, and approved map and legal.	10/5/2006	Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete filing: property tax transfer resolution, registered voter and landowner labels.	12/1/2006	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H. And Ave. I, in the City of Lancaster. For future construction of a school.	Need BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17.	9/22/2008	Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010	Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC .	10/25/2010	Unknown
7	DD	Reorganization 2011-16 (Tesoro del Valle)	Montalvo Properties LLC	Annexation to NCWD and CLWA SOI Amendments for both districts. 801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.	Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution. Project has changed ownership. Need new application	5/5/2011	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
8	DD	City of Los Angeles Annexation 2011-27	Forestar Group	685 acres of uninhabited territory located east of Browns Canyon Road and northwest of Mason Ave, in the unincorporated area just north of the City of Los Angeles.	Notice of Filing sent 2-15-12 Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, map of limiting addresses, list of limiting addresses, and approved map and legal.	12/8/2011	Unknown
9	DD	City of Palmdale Annexation 2011-19	City of Palmdale	405 acres of uninhabited territory located between Palmdale Blvd and Ave S and 80th and 85th Street East.	Notice of Filing sent 3-22-12 Incomplete filing: property tax transfer resolution, inadequate CEQA, maps of limiting addresses, list of limiting addresses, and approved map and legal. DUC adjacent	3/8/2012	Unknown
10	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15, Incomplete filing: property tax transfer resolution and approved map and legal.	12/10/2014	Unknown
11	DD	Annexation No. 2015-11 to the City of Palmdale (Desert View Highlands)	City of Palmdale	284 acres inhabited territory. Generally located north and south of Elizabeth Lake Road between Amargosa Creek and 10th street west, in Los Angeles County unincorporated territory surrounded by the City of Palmdale	Notice of Filing sent 9-22-15 Incomplete filing: property tax resolution, attachment 'A' plan for municipal services, CEQA (NOD), party disclosure, pre-zoning, map of limiting addresses, registered voter info	9/15/2015	Unknown
12	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	11/2/2015	Unknown
13	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way. all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016	Unknown
14	AD	Annexation No. 2017-02 to the Newhall County Water District	Newhall County Water District	uninhabited territory, located west of the 5 freeway and north of the intersection of The Old Road and Calgrove Blvd.	Notice of Filing sent 06-21-17 Incomplete filing: property tax transfer resolution, CEQA, approved map and legal.	6/15/2017	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
15	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	7/10/2017	Unknown
16	DD	Reorganization No. 2017-10 to the Las Virgenes Municipal Water District	Robert Douglass	5.26 acres of uninhabited territory. The affected territory is generally located northeast of the intersection of Hovenweep Lane and Schueren Road, in the unincorporated area north of Malibu	Agenda 1-13-21	11/8/2017	Feb-2021
17	DD	Annexation No. 2018-06 to the San Gabriel Valley Mosquito and Vector Control District	San Gabriel Valley Mosquito and Vector Control District	77.55± acres of inhabited territory. The affected territory is located north of the intersection of Mountain Laurel Way and Highwood Court in the City of Azusa.	Notice of Filing Sent 11-1-18 Incomplete filing: property tax transfer resolution, missing map and legal, owners and registered voter labels	10/22/2018	Unknown
18	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
19	AD	Annexation 429 to District No. 14	Sanitation Districts	640.07± acres of uninhabited territory. The affected territory is located on the southeast corner of Sierra Highway and Columbia Way, all within the City of Palmdale.	Notice of Filing Sent 11-29-18 Incomplete filing: property tax transfer resolution.	11/28/2018	Unknown
20	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1097	Sanitation Districts	230± acres of uninhabited territory. The affected territory is located south of Pico Canyon Road at the westerly terminus of Verandah Court, all within the unincorporated area of Los Angeles County.	Recorded COC. e-mail distribution pending	12/26/2018	Sep-2020
21	AD	Annexation 430 to District No. 14	Sanitation Districts	227.677± acres of uninhabited territory. The affected territory is located north of Avenue D, south of Avenue B, east of the Southern Pacific Railroad, and west of Edwards Air Force Base, all within the unincorporated area of Los Angeles County.	Recorded COC. e-mail distribution pending	2/12/2019	Sep-2020
22	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Chardlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
23	DD	Annexation No 2019-07 to the Greater Los Angeles County Vector Control District (Entire City of Vernon)	City of Vernon	3.301± acres of inhabited territory, entire City of Vernon	Notice of Filing Sent 8-28-19 Incomplete filing: property tax transfer resolution, approved map and legal.	7/23/2019	Unknown
24	DD	Annexation No. 2019-03 to the Santa Clarita Valley Water Agency	Santa Clarita Valley Water Agency	324± acres of uninhabited territory. The affected territory is generally located east and west of San Francisco Canyon Road approximately one mile north of the City of Santa Clarita, in Los Angeles County unincorporated territory near the City of Santa Clarita.	Notice of Filing Sent 10-23-19 Incomplete filing: property tax resolution, LAFCO fees, consent letter, CEQA, and approved map and legal	10/17/2019	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
25	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	waiting an a map to start the formation process.	10/2/2019	Unknown
26	AOB	Annexation No. 2019-08 to the Santa Clarita Valley Water Agency	Santa Clarita Valley Water Agency	349± acres of uninhabited territory. The affected territory is generally located southwest of the intersection of Old Rock Road and Valencia Boulevard, in Los Angeles County unincorporated territory near the City of Santa Clarita.	Notice of Filing Sent 1-15-2020 Incomplete filing: property tax resolution, approved map and legal	12/30/2019	Unknown
27	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1092	Sanitation Districts	3.77± acres of uninhabited territory. The affected territory is located on the south side of Soledad Canyon Road at Mammoth Lane, all within the City of Santa Clarita.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1096	Sanitation Districts	5.11± acres of uninhabited territory. The affected territory is located on Sand Canyon Road approximately 400 feet south of Comet Way, all within the City of Santa Clarita.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
29	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1101	Sanitation Districts	2.5± acres of uninhabited territory. The affected territory is located on Arroyo Oak Lane approximately 300 feet south of Hasley Canyon, all within the unincorporated area of Los Angeles County.	Notice of Filing Sent 01-30-20 Incomplete filing: property tax transfer resolution.	1/28/2020	Unknown
30	AD	Annexation 434 to District no. 22	Sanitation Districts	1.21± acres of uninhabited territory. The affected territory is located on Dancove Drive approximately 100 feet notheast of the terminus of Greenville Drive, all within the City of West Covina.	Notice of Filing Sent 02-4-20 Incomplete filing: property tax transfer resolution.	2/4/2020	Unknown
31	DD	Reorganization No. 2020-01 to the City of Santa Clarita (Tesoro del Valle)	City of Santa Clarita	1609± acres of inhabited territory. The affected territory is generally located north of the intersection of Copper Hill Drive and Avenida Rancho Tesoro, in the Unincorporated area of Los Angeles County adjacent to the City of Santa Clarita.	Notice of Filing sent 02-18-20 Incomplete filing: property tax transfer resolution, approved map and legal. Reorg area within DUC.	1/27/2020	Unknown
32	AD	Annexation 436 to District no. 22	Sanitation Districts	6.356± acres of uninhabited territory. The affected territory is located on the north side of Mt. Olive Drive approximately 500 feet east of Woodlyn Lane, all within the City of Bradbury.	Notice of Filing Sent 03-12-20 Incomplete filing: property tax transfer resolution.	3/12/2020	Unknown
33	AD	Annexation 428 to District no. 14	Sanitation Districts	2.51± acres of uninhabited territory. The affected territory is located on the southwest corner of Avenue N and 10th Street West, all within the City of Palmdale.	Notice of Filing Sent 06-8-20 Incomplete filing: property tax transfer resolution.	5/28/2020	Unknown
34	AOB	Formation No. 2020-05 of the Inglewood Transportation Management Community Services District	City of Inglewood	5.804± acres (or 9.07± square miles) of inhabited territory, all within the City of Inglewood.	The Applicant requested (on 10-15-20) to postpone scheduling a hearing date on this proposal.	6/15/2020	Unknown
35	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1094	Sanitation Districts	79.084± acres of uninhabited territory. The affected territory is located north of Antelope Valley Freeway west of Oak Springs Canyon Road and east of Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
36	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1095	Sanitation Districts	26.882± acres of uninhabited territory. The affected territory is located northwest of Sierra Highway, extending north of Dockweiler Drive, east of Oakleaf Canyon Drive, west of Antelope Freeway, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown

		LAFCO Designation	Applicant	Description	Status	Date Filed	Est. Date of Completion
37	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1099	Sanitation Districts	2.077± acres of uninhabited territory. The affected territory is located on the west side of Sand Canyon Road south of Comet Way, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
38	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1100	Sanitation Districts	1.823± acres of uninhabited territory. The affected territory is located on Soledad Canyon Road approximately 400 feet north of Sandy Drive, all within the City of Santa Clarita.	Notice of Filing Sent 07-16-20 Incomplete filing: property tax transfer resolution.	6/30/2020	Unknown
39	AD	Annexation 300 to District no. 15	Sanitation Districts	9.573± acres of uninhabited territory. The affected territory is located on Palm Hill Lane approximately 500 feet north of Deodar Lane, all within the City of Bradbury.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown
40	AD	Annexation 301 to District no. 15	Sanitation Districts	0.31 acres of uninhabited territory. The affected territory is located on Shrode Avenue approximately 550 feet east of California Avenue, all within the Unincorporated area of Los Angeles County.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown
41	AD	Annexation 437 to District no. 22	Sanitation Districts	0.31 acres of uninhabited territory. The affected territory is located on Covina Hills Road approximately 300 feet north of Rancho Creek Road, all within the City of Covina.	Notice of Filing Sent 10-05-20 Incomplete filing: property tax transfer resolution.	10/5/2020	Unknown

Staff Report

January 13, 2021

Agenda Item No. 7.a.

**Reorganization No. 2017-10 to the Las Virgenes Municipal Water District
(Amendments to the Las Virgenes Municipal Water District, Los Angeles County
Waterworks District No. 29, Malibu, and West Basin Municipal Water District Spheres of
Influence (SOI); Detachment from the Los Angeles County Waterworks District No. 29,
Malibu and West Basin Municipal Water District; and Annexation to the Las Virgenes
Municipal Water District)**

PROPOSAL SUMMARY:

Size of Affected Territory:	5.27± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Robert Douglas
Petition:	September 12, 2017
Application Filed with LAFCO:	November 7, 2017
Certificate of Filing:	December 3, 2020
Location:	The affected territory is located northeast of the intersection of Schueren Road and Hovenweep Lane.
City/County:	Los Angeles County unincorporated territory north of the City of Malibu.
Affected Territory:	The affected territory consists of vacant land and will be developed to include one single-family home. The topography is hilly.
Surrounding Territory:	Surrounding the affected territory is residential and vacant land.
Landowner(s)/Real Party/ Parties of Interest:	Robert Douglas
Registered Voters:	0 registered voters as of November 7, 2017

Purpose/Background:	The landowner states the reorganization is necessary to place the affected territory in a water district that can provide water for the future development of the property.
Jurisdictional Changes:	The jurisdictional changes that result from this proposal include Sphere of Influence (SOI) amendments to exclude the affected territory from the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District SOIs and include the affected territory in the Las Virgenes Municipal Water District SOI; Detachment from the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District; and Annexation to the Las Virgenes Municipal Water District.
Within SOI:	The affected territory is within the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District SOIs but not within the Las Virgenes Municipal Water District SOI. A concurrent SOI amendment is being processed with this application to exclude the affected territory from the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District SOIs and include the affected territory in the Las Virgenes Municipal Water District SOI.
Public Hearing:	Although the Commission may waive the public notice, hearing, and protest hearing relative to the proposed reorganization, as described above, a public hearing is still required for the proposed SOI amendments pursuant to Government Code Section 56427.
Waiver of Protest Hearing:	Pursuant to Government Code Sections 56662 & 56663, the Commission may waive protest proceedings that would otherwise be required if all of the requirements therein have occurred.
California Environmental Quality Act (CEQA) Clearance:	The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15319(b) because it consists of annexation of individual small parcels of the minimum size for facilities exempted by State CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures. In addition, there are no cumulative impacts, unusual circumstances, nor other

exceptions that would make the exemption inapplicable based on the proposal records.

Additional Information:

None

CERTIFICATE OF FILING

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

Upon reviewing the proposal for completeness, and pursuant to the requirements of Government Code § 56658, the Executive Officer issued the COF to the applicant on December 3, 2020. In conjunction with the issuance of the COF, the Executive Officer set the public hearing date as Wednesday, January 13, 2021.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:

a. Affected population, territory and adjacent areas:

The existing population is 0 residents as of September 12, 2017. The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 4 residents.

The affected territory is 5.37+/- acres. The affected territory consists of vacant land and will be developed to include one single-family home.

The assessed valuation is \$350,346 as of June 12, 2017.

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

On September 29, 2020, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution.

The topography of the affected territory is hilly.

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

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

The nearest populated area is adjacent to the affected territory.

The affected territory is likely to experience modest growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

b. *Governmental Services and Controls:*

The affected territory will be developed to include one single-family home which require organized governmental services. The affected territory will require governmental services indefinitely.

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

c. *Proposed Action and Alternative Actions:*

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

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

d. *Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:*

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set aside program. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

f. *Boundaries:*

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

The Las Virgenes Municipal Water District is a municipal water district. The proposed reorganization to Las Virgenes Municipal Water District is consistent with the provisions of its principal act, which is the Municipal Water District Law of 1911 (Water Code Section 71000 *et seq.*).

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

g. Regional Transportation Plan:

The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code Section 65080. The closest highway to the reorganization is part of the RTP and SCS's State Highway improved program. The Closest highway in the RTP/SCS is Interstate 101, which is approximately 5 miles from the affected territory.

h. Consistency with Plans:

The proposal is consistent with the existing County of Los Angeles General Plan designation of RL20 Mountain Lands (1DU/20AC).

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

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

i. Sphere of Influence:

The affected territory is within the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District SOIs but not within the Las Virgenes Municipal Water District SOI. A concurrent SOI amendment is being processed with this application to exclude the affected territory from the Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District SOIs and include the affected territory in the Las Virgenes Municipal Water District SOI

j. Comments from Public Agencies:

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

k. Ability to Provide Services:

The Las Virgenes Municipal Water District currently provides water services to over 20,000 connections over 78,000± acres. The reorganization would add one parcel (5.27± acres) to its service area. The Las Virgenes Municipal Water District has indicated that it has the ability to provide water service to the affected territory once the reorganization is complete.

l. Timely Availability of Water Supplies:

There are no known issues regarding water supply or delivery.

m. Regional Housing Needs:

This proposal will assist the County's ability to achieve its fair share of the regional housing needs since the reorganization area is being developed with one single-family home.

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations

The proposal is consistent with the existing County of Los Angeles General Plan designation of RL20 Mountain Lands (1DU/20AC).

The proposal is consistent with the existing County of Los Angeles zoning designation of Rural Coastal, R-C-20.

p. Environmental Justice:

The proposal makes no representations on exclusions of peoples of any race, culture, and/or income with respect to the location of public facilities and public services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

q. Hazard Mitigation Plan:

The County of Los Angeles All-Hazard Mitigation Plan (approved February 13, 2019) establishes the County's emergency policies and procedures in the event of a disaster and addresses allocation of resources and protection of the public in the event of an emergency.

The Safety Element of the General Plan for the County of Los Angeles (approved October 6, 2015) addresses reduction of the potential risk of death, injuries, and economic damages resulting from natural and man-made hazards.

The affected territory is within a Very High Fire Hazard Zone pursuant to maps published by the California Department of Forestry and Fire Protection (Cal Fire). The affected territory is within the maps that identify state responsibility area. Both the County of Los Angeles All-Hazard Mitigation Plan and the Safety Element of the General Plan include information relating to mitigation and management of wildfire and fire hazard severity zones.

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

None

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15319(b) because it consists of annexation of individual small parcels of the minimum size for facilities exempted by State CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures. In addition, there are no cumulative impacts, unusual circumstances, nor other exceptions that would make the exemption inapplicable based on the proposal records.

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(b) because it consists of annexation of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF PROTEST PROCEEDINGS:

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed reorganization consisting solely of both annexation and a detachment without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c).

Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed reorganization. Based thereon, the Commission may make determinations on the proposed reorganization without notice and hearing, and the Commission may waive protest proceedings.

WAIVER OF PROTEST PROCEEDINGS:

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

Mailed notice has been provided pursuant to Government Code Section 56663 on December 4, 2020.

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

PUBLIC HEARING REQUIREMENT FOR SOI AMENDMENT(S):

Although the Commission may waive the public notice, hearing, and protest hearing relative to the proposed reorganization, as described above, a public hearing is still required for the proposed SOI amendments pursuant to Government Code Section 56427.

Therefore, the recommended actions include a public hearing on the SOI amendments and a waiver of the notice, hearing, and protest proceedings for the reorganization.

LAFCO published a hearing notice for the SOI amendments in the Daily Commerce on December 7, 2020.

SPHERE OF INFLUENCE AMENDMENT DETERMINATIONS PURSUANT TO GOVERNMENT CODE 56425(e):

1. Present and Planned Land Uses in the Area

The affected territory consists of vacant land and will be developed to include one single-family home.

2. Present and Probable Need for Public Facilities and Services in the Area

The affected territory is located within the County of Los Angeles unincorporated community north of the City of Malibu. General government services, including animal control, fire and emergency medical, flood control, library, mosquito and vector control, park and recreation, planning, police, road maintenance, solid waste, street lighting, wastewater, and other services are provided by the County and other special districts.

The affected territory includes vacant land and will be developed to include one single-family home which requires organized governmental services. The affected territory will require governmental services indefinitely.

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

3. Present Capacity of Public Facilities and Services:

The Las Virgenes Municipal Water District currently provides water services to over 20,000 connections over 78,000± acres. The reorganization would add one parcel (5.27± acres) to its service area. The Las Virgenes Municipal Water District has indicated that it has the ability to provide water service to the affected territory once the reorganization is complete.

4. Social or Economic Communities of Interest

The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

5. Disadvantaged Unincorporated Communities:

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

SPHERE OF INFLUENCE AMENDMENT DETERMINATIONS PURSUANT TO GOVERNMENT CODE 56425(i):

The Commission has on file a written statement of the functions and classes of service of the Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District specifying the nature, location and extent of their respective classes of service that they provide within their respective boundaries.

MUNICIPAL SERVICE REVIEW DETERMINATIONS PURSUANT TO GOVERNMENT CODE 56430(a):

As provided by Government Code Section 56430, in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission.

A Municipal Service Review (MSR) for the Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District was completed during the Commission's initial round of service reviews. Since this reorganization is not expected to impact the overall comprehensive services of the Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District, an MSR is not being required for the current sphere of influence amendments to include/exclude the affected territory. At this time, the existing MSR is sufficient to fulfill the requirements of Government Code Section 56430 for these sphere amendments.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of Las Virgenes Municipal Water District which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the reorganization territory.

RECOMMENDED ACTION:

1. Open the public hearing and receive testimony on the SOI amendments; and
2. There being no further testimony, close the public hearing; and
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Reorganization No. 2017-10 to the Las Virgenes Municipal Water District; (Amendments to the Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District SOIs; Detachment from Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District; and Annexation to the Las Virgenes Municipal Water District).

RESOLUTION NO. 2021-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"REORGANIZATION NO. 2017-10 TO THE LAS VIRGENES MUNICIPAL WATER DISTRICT
(AMENDMENTS TO THE LAS VIRGENES MUNICIPAL WATER DISTRICT, LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 29, MALIBU, AND WEST BASIN MUNICIPAL WATER DISTRICT
SPHERES OF INFLUENCE (SOI), DETACHMENT FROM THE LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 29, MALIBU AND WEST BASIN MUNICIPAL WATER DISTRICT;
AND ANNEXATION TO THE LAS VIRGENES MUNICIPAL WATER DISTRICT)

WHEREAS, Robert Douglas ("landowner" or "Applicant") submitted a petition for proceedings, to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to Division 3, Title 5, of the California Government Code (commencing with Section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation and sphere of influence amendment of territory herein described to the Las Virgenes Municipal Water District ("District"), and detachment and sphere of influence amendments of said territory from Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District (collectively, "Districts"), all within the County of Los Angeles (County); and

WHEREAS, the proposed reorganization consists of approximately 5.27 ± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Reorganization No. 2017-10 to the Las Virgenes Municipal Water District"; 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 reorganization is for the Las Virgenes Municipal Water District to provide water service for the future development of the property;

and

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

WHEREAS, the Commission has determined that the proposed reorganization consisting solely of both an annexation and a detachment ("Proposal") meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Sections 56662 & 56663; and

WHEREAS, even though a public hearing is not required for the Proposal, a public hearing is nevertheless required for the proposed SOI amendments, pursuant to Government Code Section 56427; and

WHEREAS, the Executive Officer has given notice of the public hearing for the proposed SOI amendments pursuant to Government Code Sections 56150-56160, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on December 7, 2020, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, on January 13, 2021, this Commission considered the Proposal and the report of Executive Officer, and 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 the SOI amendments.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, with respect to Reorganization No. 2017-10 to the Las Virgenes Municipal Water District, finds that the reorganization is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(b) because it consists of annexation of individual small parcels of the minimum size for facilities exempted by State CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures. In addition, there are no cumulative impacts, unusual circumstances, nor other exceptions that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the reorganization is uninhabited; and
 - b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed reorganization, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
 - c. The reorganization was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed reorganization proposal without notice and hearing and may waive protest proceedings relative to the proposed reorganization.

However, with respect to the proposed SOI amendments, a public hearing is still required pursuant to Government Code Section 56427.

Mailed notice has been provided pursuant to Government Code Section 566663 on December 4, 2020.

3. The Commission hereby amends the SOIs of Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District so as to exclude the subject territory described in Exhibit "A" and "B" from Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District, and include the subject territory described in Exhibit "A" and "B" within Las Virgenes Municipal Water District and makes the following determinations in accordance with Government Code Section 56425(e):

- a. Present and Planned Land Uses in the Area

The affected territory consists of vacant land and will be developed to include one single-family home.

- b. Present and Probable Need for Public Facilities and Services in the Area

The affected territory is located within the County of Los Angeles unincorporated community north of the City of Malibu. General government services, including animal control, fire and emergency medical, flood control, library, mosquito and

vector control, park and recreation, planning, police, road maintenance, solid waste, street lighting, wastewater, and other services are provided by the County and other special districts.

The affected territory includes vacant land and will be developed to include one single-family home which requires organized governmental services. The affected territory will require governmental services indefinitely.

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

c. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District currently provides water services to over 20,000 connections over 78,000± acres. The reorganization would add one parcel (5.27± acres) to its service area. The District has indicated that it has the ability to provide water service to the affected territory once the reorganization is complete.

d. Existence of Any Social or Economic Communities of Interest

The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

e. Disadvantaged Unincorporated Communities

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

f. Determination of the Services of the Existing District

The Commission has on file a written statement of the functions and classes of service of the Las Virgenes Municipal Water District, Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District specifying the nature, location and extent of their respective classes of service that they provide within their respective boundaries.

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 5.27± acres, is uninhabited, and is assigned the following short form designation: "Reorganization No. 2017-10 to the Las Virgenes Municipal Water District".
6. Reorganization No. 2017-10 to the Las Virgenes Municipal Water District is hereby approved, subject to the following terms and conditions:
 - a. Robert Douglas 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 reorganization shall be the date of recordation of the Certificate of Completion with the Los Angeles County Registrar-Recorder/County Clerk.
- c. Recordation of the Certificate of Completion shall not occur prior to the conclusion of the 30-day reconsideration period provided under Government Code Section 56895.
- d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this reorganization, will result in the reorganization being terminated pursuant to Government Code §57001 unless, prior to expiration of that year, the Commission authorizes an extension of time for that completion.
- e. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the Las Virgenes Municipal Water District.
- f. The regular County assessment roll shall be utilized by the Las Virgenes

Municipal Water District.

- g. The affected territory will be taxed for any existing general indebtedness, if any, of the Las Virgenes Municipal Water District.
 - h. Annexation of the affected territory described in Exhibits "A" and "B" to the Las Virgenes Municipal Water District.
 - i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and the State of California Board of Equalization. If LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.
 - j. Detachment of the affected territory from the Los Angeles County Waterworks District No. 29, Malibu, and West Basin Municipal Water District.
 - k. Except to the extent in conflict with "a" through "j", 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 reorganization.
7. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code Section 56882.
8. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Las Virgenes Municipal Water District and detached from Los Angeles County Waterworks District No. 29, Malibu and West Basin Municipal Water District.

9. Pursuant to Government Code 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.
10. The Executive Officer is directed to transmit a copy of this resolution to the Las Virgenes Municipal Water District, upon the landowner'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 January 2021.

MOTION:

SECOND:

AYES:

NOES:

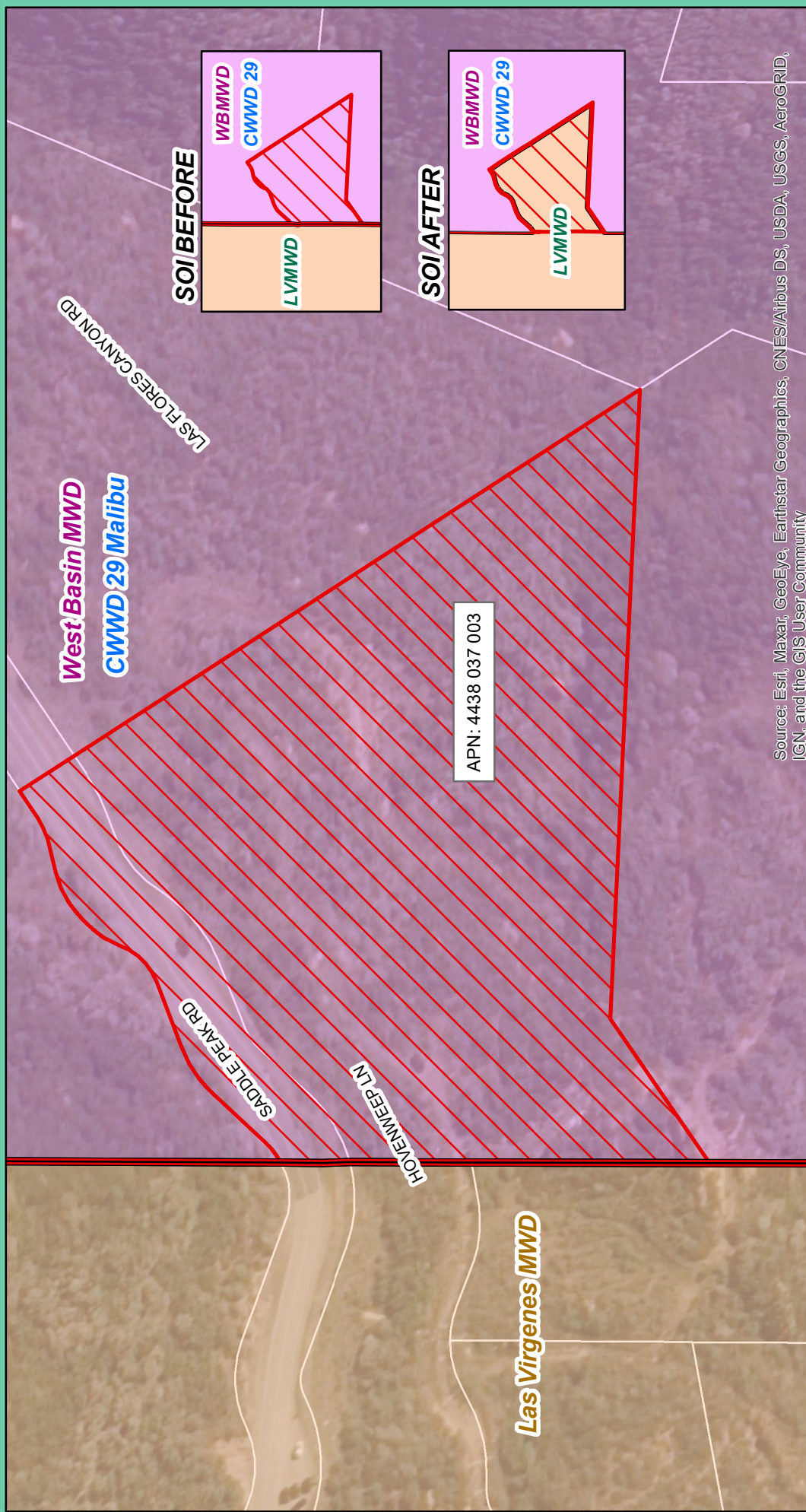
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

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

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



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Reorganization No. 2017-10 to the Las Virgenes Municipal Water District

includes SOI Amendments

(Annexation to Las Virgenes Municipal Water District,
Detachment from Los Angeles County Waterworks District
No. 29, Malibu and West Basin Municipal Water District)



January 13, 2021

Legend



Reorg 2017-10 to Las Virgenes MWD



County Unincorporated



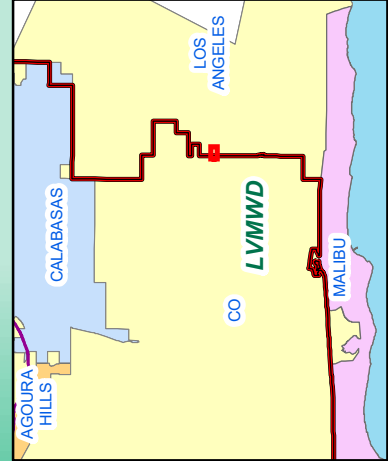
Las Virgenes MWD



West Basin MWD and Los Angeles
County Waterworks District No. 29,
Malibu



Sphere of Influence Las Virgenes
MWD, West Basin MWD, & LA
County Waterworks Dist. No. 29



Staff Report

January 13, 2021

Agenda Item No. 9.a.

Commission Meeting Schedule for Calendar Year 2021

Staff is proposing a Commission Meeting schedule for Calendar Year 2021 (see attached), consistent with the Rules of the Commission to hold regular meetings on the second Wednesday of the month at 9:00 a.m.

The Commission may wish to consider the following potential conflicts:

- The regular meeting in September (Wednesday, September 8, 2021) overlaps the celebration of Rosh Hashana (September 6-8, 2021); and
- The regular meeting in November (November 10, 2021) is the day before the Veterans Day Holiday on Thursday, November 11, 2021.

Staff recommends that the Commission discuss and consider the proposed Commission Meeting Schedule for Calendar Year 2021, direct staff to make any changes, as appropriate, and post the adopted schedule to the LAFCO website.

Recommended Action:

Staff recommends that the Commission:

1. Adopt a Commission Meeting Schedule for Calendar Year 2021; and
2. Direct staff to post the adopted Commission Meeting Schedule for Calendar Year 2021 to the LAFCO website.

LOCAL AGENCY FORMATION COMMISSION

SCHEDULE OF MEETINGS

2021

The Commission will meet at 9:00 a.m., in the Board of Supervisors Hearing Room (Room 381, Kenneth Hahn Hall of Administration), 500 West Temple Street, Los Angeles, on the following Wednesdays:

2 nd Wednesday of the Month	
January 13	July 14
February 10	August 11
March 10	September 8
April 14	October 13
*May 12	November 10
June 9	December 8
January 12, 2022	

***The Board of Supervisors are scheduled to hold Budget Hearings in the month of May. Therefore, the May 12th LAFCO meeting may be relocated to room 374A.**

Staff Report

Proposed Memorandum of Understanding with Kern LAFCO

Agenda Item 9.b.

January 13, 2021

Staff is proposing that the Commission enter into a Memorandum of Understanding (MOU) with Kern LAFCO (copy enclosed) to designate the "principal county" for Sphere of Influence (SOI) amendments for special districts to the LAFCO in the County where the affected territory is located, in compliance with the applicable provisions of the Government Code. On three prior occasions, the Commission has approved Memoranda of Understanding (MOUs) to exchange principal county status with San Bernardino LAFCO (2011), Orange LAFCO (2011), and Ventura LAFCO (2020).

Under current law, the LAFCO for the so-called "principal county" of a special district processes all requests to amend a Sphere of Influence or annex territory. Section 56066 defines "principal county" as the county which has "all or the greater portion of the entire assessed value . . . of all taxable property within a district."

Under existing law, the LAFCO for a "principal county" could expand the SOI and territory of a special district into Los Angeles County, without the approval or consent by Los Angeles County or LA LAFCO. Staff is concerned about this possibility and is supportive of an approach where the responsibility for such applications is shared between the two involved LAFCOs. For applications where the affected territory is not located within the principal county, the MOU "transfers" the authority to process the SOI amendment to the LAFCO in which the affected territory is located. The "principal county" LAFCO retains the authority to process any annexation requests.

The approach of this MOU is that the LAFCO for the county in which the territory is located (the non "principal county" LAFCO) has a better and more complete understanding of the local service delivery philosophies, land use goals and policies, and is most familiar with the other overlaying special districts within the area; and is therefore best suited to address any potential duplication of service and other service delivery concerns.

The proposed MOU mirrors the language in the existing MOUs with Orange LAFCO, San Bernardino LAFCO, and Ventura LAFCO; further, the language has been approved as to form by legal counsel for both LA LAFCO and Kern LAFCO.

The Executive Officer of Kern LAFCO plans to agendize the MOU at its February or March Commission Meeting.

Recommended Action:

1. Authorize the Chair to sign the proposed Memorandum of Understanding with Kern LAFCO; and
2. Upon execution by a Kern LAFCO representative, direct staff to post a copy of the MOU to the LAFCO website.

**MEMORANDUM OF UNDERSTANDING
FOR EXCHANGE OF PRINCIPAL COUNTY
STATUS FOR SPHERE OF INFLUENCE CHANGES
LOCAL AGENCY FORMATION COMMISSION FOR KERN COUNTY
AND THE LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

THIS MEMORANDUM OF UNDERSTANDING (MOU) IS MADE THIS **DATE**TH DAY OF **MONTH** 2021 BY AND BETWEEN THE LOCAL AGENCY FORMATION COMMISSION FOR KERN COUNTY (hereinafter **Kern LAFCO**) and the LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES (hereinafter **LA LAFCO**).

RECITALS

The following recitals are a substantive part of this MOU:

1. In January 2006 in the Third Appellate District of the Court of Appeal for the State of California a decision was rendered, identified commonly as the “Truckee Decision”, which applied the California Government Code Section 56066 definition of “principal county” to determinations for spheres of influence under the provision of Government Code Section 56425 et seq.

2. Principal county is defined in the California Government Code at § 56066 which reads as follows: “Principal county” means the county having the greater portion of the entire assessed value, as shown on the last equalized assessment roll, of the county or counties, of all taxable property within a district or districts for which a change organization or reorganization is proposed.

3. Government Code §§ 56123 and 56124 allow for the transfer of exclusive jurisdiction from the principal county LAFCO to the affected county LAFCO if all of the following occur:

- a. The commission of the principal county approves of having exclusive jurisdiction vested in another affected county;
- b. The commission of the principal county designates the affected county to assume exclusive jurisdiction; and,
- c. The commission of the affected county so designated agrees to assume exclusive jurisdiction.

4. The Kern LAFCO and LA LAFCO have numerous entities which abut, and in several instances cross over county boundary lines. Both Kern LAFCO and LALAFCO agree that the LAFCO of the county within which the affected territory is situated should be the LAFCO that determines the sphere of influence, having the knowledge of underlying service providers, affected agencies within and surrounding the entity within the affected county, and understanding of the development standards and vision within the affected county. This memorandum of understanding is intended to set forth these understandings in a formal manner and to identify that as allowed by Government Code Section 56375(q) the LAFCOs have agreed to transfer authority for processing of sphere of influence applications.

5. This MOU between Kern LAFCO and LA LAFCO is to establish the terms and conditions for the vesting of exclusive jurisdiction in the matters of sphere of influence determinations to the Commission of the affected county from the Commission of the principal county.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Sphere of influence Transfer Determinations:

- a. When a proposal is contemplated to extend a special district's sphere of influence into the adjacent county, or expand or reduce a sphere of influence that is already located in the adjacent county, the Kern LAFCO or LA LAFCO acting as principal county does hereby approve the transfer of exclusive jurisdiction for those determinations to the affected county;
- b. The transfers shall be to the affected county within which the affected territory considered for sphere of influence extension, expansion or reduction lies; and,
- c. Acting as the affected County, the Kern LAFCO or LA LAFCO agree to assume the exclusive jurisdiction for sphere of influence determinations within its respective county territory.

2. Term of MOU

The term of this MOU shall commence upon execution of this agreement by both LAFCOs and shall remain in effect until specific action is taken to terminate it in its entirety or to modify the MOU. This MOU constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and is executed without reliance upon any representations or promises not contained herein.

3. Responsibilities for complying with transfer of exclusive jurisdiction:

Each LAFCO shall advise applicant(s) seeking the extension of a sphere of influence into the adjacent county, or the expansion or reduction of a sphere of Influence already located in the adjacent county, of a special district for which it is designated "principal county" that the applicant(s) shall submit said request to the affected county LAFCO. The application requirements, including fees and processing costs, of the LAFCO vested and exclusive jurisdiction shall apply. The LAFCO with exclusive jurisdiction shall include the principal county LAFCO in all notices, provision of staff reports, and resolutions related to the sphere of influence consideration process. Nothing in this MOU shall be construed to limit in any way the provision of State law governing the consideration process for a sphere of influence change.

4. Compliance with Government Code Section 56430

The policies and procedures of the LAFCO vested with exclusive jurisdiction by this MOU shall apply to the processing of any sphere of influence change with regards to Government Code Section 56430. Nothing in this section would preclude the LAFCO vested with exclusive jurisdiction from using the service review data and/or determinations prepared by the principal LAFCO for the affected local agency.

5. Modification

This MOU constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This MOU may be modified only by subsequent mutual written agreement executed by Kern LAFCO and LA LAFCO and will not be effective until signed by all parties.

6. Termination

This MOU may be terminated by either party by giving a 60-day notice in writing following action of the terminating Commission.

7. California Law

This MOU shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the Superior Court of the affected County. The MOU shall be construed as though jointly drafted by the Parties with the assistance of independent legal counsel.

8. Indemnification

Kern LAFCO or LA LAFCO each agree to indemnify, defend at their own expense, including attorney's fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature, whatsoever,

including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act or willful misconduct of the party, its officers or employees or any other agent acting pursuant to its control and performing under this agreement.

9. Notices

All notices shall be personally delivered or mailed, via first-class mail to the below listed addresses:

(a) Local Agency Formation Commission for Kern County
5300 Lennox Avenue
Suite 303
Bakersfield, CA 93309
Attn: Executive Officer
 Blair Knox

(b) Local Agency Formation Commission for the County of Los Angeles
80 South Lake Avenue, Suite 870
Pasadena, CA 91101
Attn: Paul A. Novak, AICP
 Executive Officer

10. Preservation of Agreement

Should a provision of this MOU be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS WHEREOF, these parties have executed this Agreement on the day and year shown above.

APPROVED AS TO FORM:

LOCAL AGENCY FORMATION
COMMISSION FOR KERN COUNTY:

General Counsel
Local Agency Formation
Commission for Kern County

By: _____
NAME
CHAIRMAN

APPROVED AS TO FORM:

LOCAL AGENCY FORMATION
COMMISSION
FOR THE COUNTY OF LOS ANGELES

MARY C. WICKHAM
County Counsel

By: _____
Deputy

By: _____
JERRY GLADBACH
CHAIR

Staff Report

January 13, 2021

Agenda Item No. 9.c.

Recommendation to Award Contract for Audit Services to DavisFarr, LLP

Staff is recommending that the Commission award and authorize staff to enter into a professional services agreement with DavisFarr, LLP (DavisFarr) for auditing services, consistent with the proposal submitted by DavisFarr (attached). The term of the agreement would be for the next four (4) fiscal years (FY 2020-21, 2021-22, 2022-23, and 2023-24), with one-year options for each of two (2) additional years (FY 2024-25 and 2025-26).

For the first four years, the proposed annual consulting fees are \$7,850; \$8,005; \$8,160; and \$8,265; respectively, and the consulting fee for each one-year option is \$8,495. Staff notes that DavisFarr's fee for the first year's audit (FY 2021-22) under this new agreement is less than the cost of the audit which DavisFarr is currently finalizing (under its existing agreement) for the current fiscal year (FY 2019-2020).

Contracting Process:

LA LAFCO, along with the four other LAFCOs (Imperial, Orange, Riverside, and San Bernardino LAFCO) involved in this joint solicitation, assigned staff to serve as the Evaluation Committee to conduct the solicitation and evaluation according to the following timeline:

In concert with colleagues from four other LAFCOs (Imperial, Orange, Riverside, and San Bernardino LAFCO), staff conducted the following solicitation and evaluation:

- February 12, 2020: Commission directed staff to issue a joint Request for Proposals (RFP) for auditing services.
- September 8, 2020: Staff posted the RFP to LAFCO website and emails to potential bidders.
- October 9, 2020: Deadline to submit RFPs, and seven (7) proposals are received.
- October 26, 2020: Evaluation Committee (representatives of all five LAFCOs) met (via conference call) and narrowed submittals to four (4) finalists; staff notified finalists to schedule interviews and notified the three (3) firms not identified for further consideration.

- November 2, 2020: Evaluation Committee interviewed four (4) finalists (via Zoom) and selected DavisFarr as recommended consultant. Over the next several days, staff spoke with a DavisFarr representative by telephone (relative to the recommendation) and representatives of the other three (3) finalists by telephone (to alert that each was not identified for further consideration).
- November 19, 2020: Staff sent determination letters to finalists via U.S. Mail.

The Evaluation Committee evaluated and scored the proposals consistent with the RFP's evaluation criteria, which included cost, the proposer's work plan, firm qualifications, and project schedule. After a lengthy discussion, the Evaluation Committee unanimously determined that the responsible and responsive bidder with the lowest bid price, DavisFarr, is the highest rated proposer, to be recommended for the contract award.

Staff would like to recognize and thank colleagues at Imperial, Orange, Riverside, and San Bernardino LAFCO for their cooperation in soliciting the RFP and evaluating proposals. This is the third time LA LAFCO has joined with its colleagues to issue a joint proposal for auditing services, and staff is confident that this joint audit approach is cost-effective.

Staff would also like to thank CALAFCO Executive Director Pamela Miller for allowing the five LAFCOs to utilize CALAFCO's Zoom account to host the interviews and Evaluation Committee deliberations.

Staff is recommending that the Commission award a contract to DavisFarr to prepare audits, and to authorize the Executive Officer to negotiate and execute a professional services agreement with DavisFarr LLP in the form approved by LAFCO Counsel.

Recommended Action:

Staff recommends that the Commission:

1. Award a contract to DavisFarr LLP to provide auditing services, as described in the proposal (attached), and as recommended by the Evaluation Committee;
2. Authorize the Executive Officer to execute the professional services agreement with DavisFarr LLP, with said agreement being approved as to form by LAFCO Counsel.

Executive Officer Report

January 13, 2021

Agenda Item No. 13.a.

The Executive Officer hereby reports the following:

- **County of Los Angeles Representatives on the Commission:** At its December 8, 2020 Meeting, the Los Angeles County Board of Supervisors appointed Supervisors Kathryn Barger and Holly Mitchell as Voting Members and Supervisor Janice Hahn as the Alternate Member of the Commission.
- **City of Los Angeles Representatives on the Commissioner:** The Voting Member and Alternate Member positions representing the City of Los Angeles are vacant. Staff continues to contact Los Angeles City Council President Nury Martinez to request that she make the appointments.
- **Commission Schedule:** Consistent with direction from Los Angeles County representatives, staff anticipates that Commission meetings will be in a virtual format through mid-year.
- **Staff Schedule:** Based upon the Executive Officer's continued consultation with the Chair and legal counsel, LAFCO staff continue to work remotely, in furtherance of State and County emergency orders.
- **Legislation:** Staff will resume providing legislative updates beginning with the February 10, 2021 Meeting agenda.

Staff Recommendation:

1. Receive and file the Executive Officer Report.



Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Prepared By:

Davis Farr LLP
2301 Dupont Drive, Suite 200
Irvine, CA 92612

October 9, 2020

Contact Person:

Jonathan Foster, CPA | Partner
Office: 949.474.2020 | Direct: 949.783.1744
Email: jfoster@davisfarr.com

Table of Contents

Transmittal Letter

Section A – About Davis Farr LLP	1
Section B – Our Prior Experience Auditing Government Agencies.....	3
Section C – Client References	4
Section D – Partner, Supervisory and Staff Qualifications and Experience	5
Section E – Audit Approach	19
Section F – Implementation of New GASB Pronouncements	21
Section G – Scope of Work	22

APPENDIX

Project Schedule
Pricing Sheet
Peer Review Documentation

October 9, 2020

Local Agency Formation Commission
Adriana Romo
80 South Lake Avenue, Suite 870
Pasadena, CA 91101

Dear Ms. Romo,

We are pleased to provide our proposal to perform audit services to the Imperial, Los Angeles, Orange, Riverside, and San Bernardino Local Agency Formation Commissions (LAFCO) for the fiscal years ending June 30, 2021 through 2024 with an option to extend the contract for one year.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while LAFCO has solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- We take a proactive leadership role in local government accounting and auditing issues. We serve on the Government Accounting and Audit Committee of the California Society of CPAs, the CSMFO Professional Standards Committee and are frequent speakers on technical topics at conferences and training events throughout California.
- We have been auditors of Imperial, Los Angeles, Orange, Riverside and San Bernardino LAFCOs for many years. We understand the complexities of LAFCOs and you will not need to train our staff on the organizations' unique activities.
- We utilize data mining software to evaluate anomalies in your accounting data. This helps focus our auditors' attention on potential errors in the accounting records and transactions that could be more susceptible to fraud.
- Davis Farr will not delegate or subcontract its responsibilities as part of the audit of the LAFCOs.

We appreciate the opportunity to share our credentials and look forward to developing our professional relationship. Our proposal remains a firm and irrevocable offer for 60 days. I certify that I am authorized to make representations for the firm and enter into contract with LAFCO. I look forward to you contacting me so that I may answer further any questions which you may have. You may contact me at (949) 783-1744.

Very truly yours,



Jonathan Foster, CPA
Partner

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a full-service regional accounting firm that specializes in providing attest and advisory services to federal, state, and local governments as well as non-profit entities out of our Orange County and San Diego offices. This engagement would be serviced by our Orange County office located in Irvine. Our personnel have served governmental and non-profit entities for over 30 years. A breakdown of our government audit personnel by classification is as follows:

Classification	Employees
<i>Partners</i>	7
<i>Managers</i>	8
<i>Supervisors</i>	4
<i>Seniors</i>	17
<i>Staff</i>	13
<i>Administrative</i>	3
Total Personnel	52

License to Practice in California – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants.

Independence – Davis Farr LLP is independent with respect to Local Agency Formation Commission as defined by U.S. General Accounting Office's *Government Auditing Standards* and Generally Accepted Auditing Standards.

Insurance – Davis Farr LLP has sufficient insurance coverage to meet or exceed the Agency's requirements and will provide insurance certificates to the Agency prior to entering a contract.

Quality Control – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA's Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements. Davis Farr LLP has not had any federal or state desk reviews or field reviews during the past three years apart from a routine review performed by the Department of Transportation (DOT). The report concluded that our audit work complied with the requirements of the single audit act, the uniform guidance, and DOT's major programs and included a recommendation related to documentation. There has been no disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

Training – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered to provide continuing professional education through the National Association of State Board of Accountancy (NASBA). NASBA recognizes CPE program sponsors who provide continuing professional education programs in accordance with nationally recognized standards.

Cal CPA – Many of the CPAs employed by Davis Farr LLP are members of Cal CPA and regularly participate in chapter meetings, education, and events. Cal CPA recognized one of Davis Farr LLP's Partners with their **Women to Watch** award in the Experienced Leader category. Davis Farr LLP partners are also members of the **Governmental Accounting and Auditing Committee** of the CalCPA. Jennifer Farr was recently appointed the new chair of the committee for a two year term.

American Institute of CPAs – Davis Farr LLP and the firm's Partners are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession's technical and ethical standards.

CSMFO – The Partners of Davis Farr LLP are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of Davis Farr LLP are frequent presenters on accounting and auditing technical topics at Chapter Meetings and Conferences.

GFOA – The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit. The Partners of Davis Farr LLP are members of the Certificate of Achievement Program's Special Review Committee. The Committee reviews Comprehensive Annual Financial Reports submitted to GFOA for the CAFR Award Program.

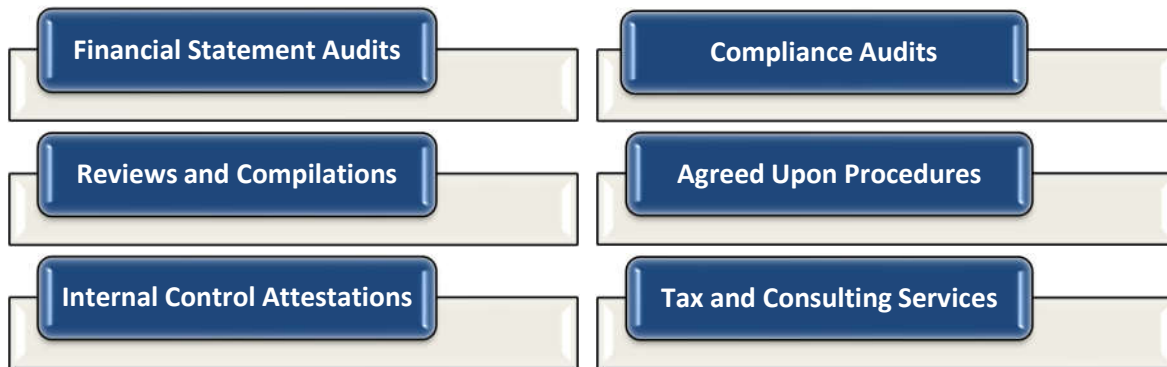


Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Section B – Our Prior Experience Auditing Government Agencies

Davis Farr LLP is a leader in the local government sector throughout the Southern California Area. Currently, we service approximately 60 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Some of the government agencies that the professionals of Davis Farr LLP have served recently are the following:

City of Avalon	Cucamonga Valley Water District
City of Carlsbad	Eastern Municipal Water District
City of Commerce	Hass Avocado Board
City of Coronado	Irvine Ranch Water District
City of Costa Mesa	Leucadia Wastewater District
City of Dana Point	Metropolitan Water District of Southern CA
City of Delano	Municipal Water District of Orange County
City of Encinitas	Orange County LAFCO
City of Fontana	Oxnard Housing Authority
City of Fountain Valley	Placer County Water Agency
City of Garden Grove	Salton Sea Authority
City of Huntington Beach	San Diego County Water Authority
City of Laguna Niguel	San Diego Association of Governments
City of Mission Viejo	San Diego LAFCO
City of Poway	San Dieguito Riverpark Authority
City of Rancho Santa Margarita	Sweetwater Authority
City of Santee	Tahoe Regional Planning Agency
City of Victorville	Tahoe Transportation District
City of Woodland	Vallecitos Water District
County of Fresno Housing Authority	Walnut Valley Water District
County of San Diego	West Basin Municipal Water District

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Section C – Client References

For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several clients. For each of the references, we currently serve as independent auditors and have served these clients for a number of years.

	Client	Client Contact	Telephone/Email
1.	San Diego Association of Governments 401 B Street San Diego, CA 92101	Leanne Wallace <i>Accounting Supervisor</i>	619.669.0728 lwallace@sandag.org
2.	Cucamonga Valley Water District 10440 Ashford Street Rancho Cucamonga, CA 91730	Jennifer Fillinger <i>Accounting Supervisor</i>	909.483.7453 jenniferf@cvwdwater.com
3.	Irvine Ranch Water District 15600 Sand Canyon Ave Irvine, CA 92618	Eileen Lin <i>Controller</i>	949.453.5345 lin@irwd.com

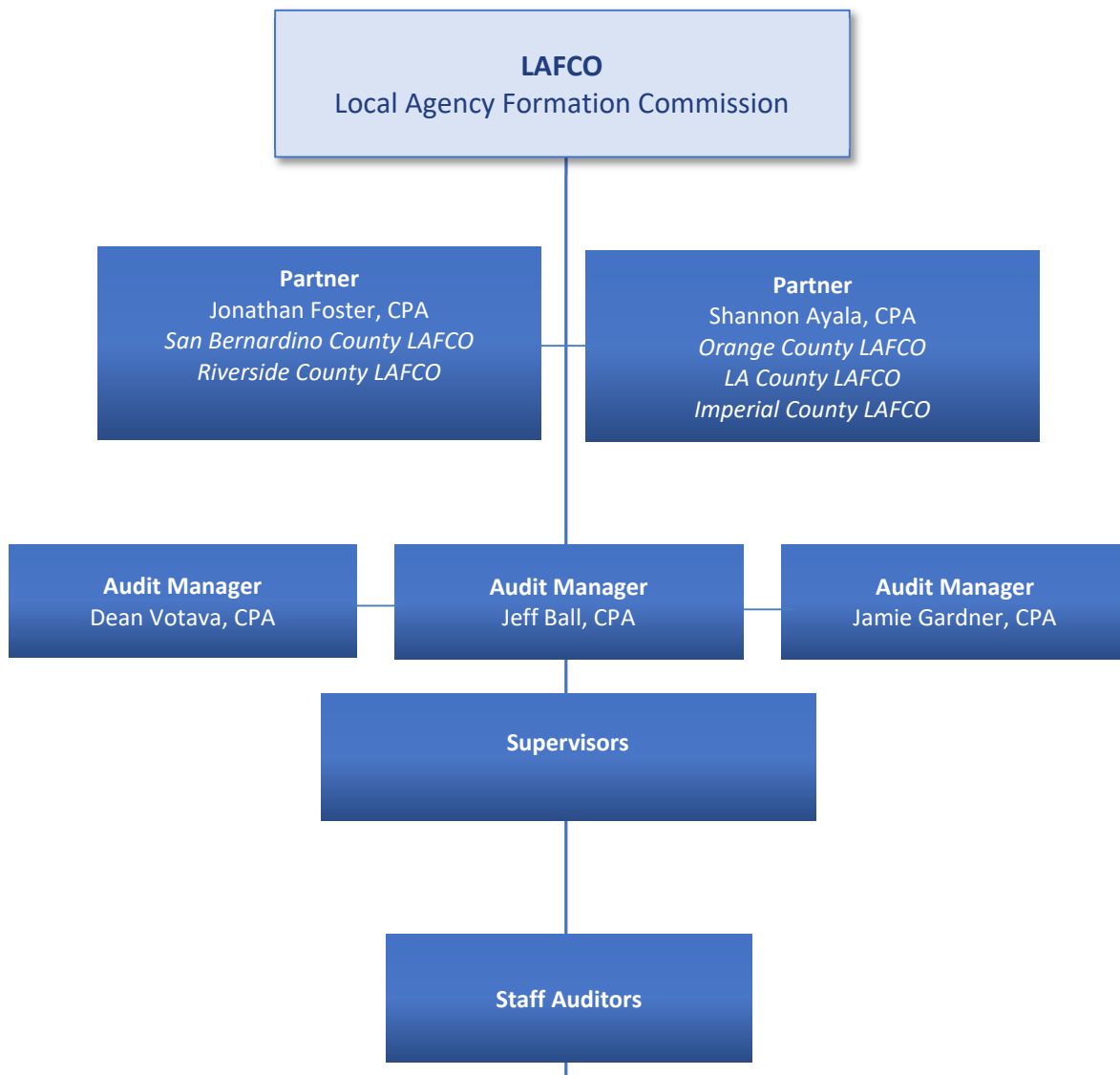
Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Section D – Partner, Supervisory and Staff Qualifications and Experience

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve Local Agency Formation Commission have served together as a team of professionals on numerous financial audit examinations of local government entities. While not anticipated, any personnel substitutions will be of equally qualified personnel.

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results Local Agency Formation Commission. In that regard, we have proposed two partners for the following engagements. Any partner rotation may occur as needed due to State law.



Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

JONATHAN FOSTER, CPA **PARTNER**

California CPA Certificate No. 117853



Mr. Foster will serve as the Partner for the Riverside and San Bernardino LAFCO Audits. He will also serve as the Quality Control Reviewer for the Orange County, LA County and Imperial County LAFCO's. Mr. Foster has 13 years of audit experience with government agencies. The types of audits Mr. Foster is involved in includes financial audits of cities and special districts and Single Audits in accordance with the Uniform Guidance. Mr. Foster is also a CAFR and Budget reviewer for the CSMFO award and is a regular presenter at firm wide training and external training events as requested. He was a featured speaker at the 2019 CSMFO conference in Palm Springs where he presented on *Capital Assets: Bridging the GAAP between Engineering and Finance*.

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
Member of Cal CPA Government Audit & Accounting Committee
California Society of Municipal Finance Officers (*CAFR and Budget Award Reviewer*)

EDUCATION

Bachelor of Accountancy, *University of San Diego*

AUDITS OF GOVERNMENT AGENCIES

City of Avalon
City of Commerce
City of Dana Point
City of Delano
City of Fontana
City of Huntington Beach
City of Rancho Santa Margarita
City of Costa Mesa

Cucamonga Valley Water District
East Orange County Water District
Irvine Ranch Water District
Placer County Water Agency
Trabuco Canyon Water District
Placer County Water Agency
San Diego Association of Governments
San Bernardino Municipal Water Department

Additionally, throughout his career, Mr. Foster has performed audits across the country under the direction of the Special Inspector General for Afghanistan Reconstruction (SIGAR) and SSAE 18 audits under the direction of the Center for Medicare and Medicaid Services (CMS).

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

SHANNON AYALA, CPA
PARTNER

California CPA Certificate No. 88126, January 2004



Ms. Ayala will serve as the Partner for the Orange County, LA County and Imperial County LAFCOs on this audit. She will also serve as the Quality Control Reviewer for the Riverside and San Bernardino LAFCO's. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit team, and review the final reports before they are released. Ms. Ayala is a Certified Public Accountant with seventeen years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance, and compliance audits.

EMPLOYMENT HISTORY

Davis Farr LLP: June 2015-current
Ten years at a National CPA firm
Two years at Lennar Homes

EDUCATION

Bachelor of Science – Accounting, *San Diego State University*

GOVERNMENT AGENCY AUDIT EXPERIENCE

City of Carlsbad	Leucadia Wastewater District
City of Coronado	Rancho California Water District
City of Del Mar	Salton Sea Authority
City of Escondido	San Diego Association of Governments
City of Poway	San Diego County Water Authority
City of San Marcos	San Dieguito River Park Joint Powers Authority
City of Santee	Sweetwater Authority
LAFCO – Imperial County	Vallecitos Water District
LAFCO - San Diego County	

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

JAMIE GARDNER, CPA MANAGER

California CPA Certificate No. 125643



Jamie Gardner will serve as the Manager for the Orange County and Riverside County LAFCOs. She has eight years of experience in government auditing and accounting and has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with the Uniform Guidance, and compliance audits. As manager, Ms. Gardner will be involved in reviewing audit workpapers, reviewing all reports, managing the audit team and performing field visits.

EDUCATION

Bachelor of Science in Business Administration: Accounting
Biola University

RELEVANT EXPERIENCE

Local Government – Municipal

Ms. Gardner serves as the manager on the following annual engagements:

Hass Avocado Board	Los Angeles County Capital Asset Leasing Corp
Irvine Ranch Water District	Placer County Water Agency
IHSS Public Authority of Marin County	San Diego County Water Authority
LAFCO - Orange, Riverside, & San Diego Counties	Soquel Creek Water District

Additionally, throughout Ms. Gardner's career, she has served in various capacities on the annual financial audits or agreed-upon procedures of the following cities and special districts:

City of Costa Mesa	Fresno Housing Authorities
City of Inglewood	<i>LAFCO - Los Angeles & San Diego Counties</i>
City of Woodland	San Diego Association of Governments
City of Victorville	San Diego Pooled Insurance Program Authority
County of San Diego	South Orange County Wastewater Authority

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

DEAN VOTAVA, CPA

SENIOR MANAGER

California CPA Certificate No. 64413, March 1993



Mr. Votava will serve as the manager of Los Angeles County LAFCO. He has 33 years of audit experience, spending the majority of that time on audits for Federal and local governments. The types of audits Mr. Votava has been involved in include: financial audits of cities, special districts and housing authorities; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with the Uniform Guidance and OMB Circular A-133; and Federal compliance audits.

EDUCATION

Bachelor of Business Administration – Accounting, *University of North Dakota, Grand Forks*

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
California Society of Certified Public Accountants

AUDITS OF SPECIAL DISTRICTS

Coachella Valley Parks District
Coachella Valley Water District
Irvine Ranch Water District
Los Angeles Homeless Serv Authority
LA County LAFCO
Orange County Water District

San Diego Association of Governments
Tahoe Regional Planning Agency
Tahoe Transportation District
Ventura Regional Sanitation District
Walnut Valley Water District
West Basin Municipal Water District

AUDITS OF CITIES

City of Carlsbad
City of Commerce
City of Costa Mesa
City of Del Mar
City of Delano
City of El Segundo
City of El Segundo
City of Escondido
City of Garden Grove

City of Indio
City of Laguna Niguel
City of Mission Viejo
City of Orange
City of Palm Springs
City of Riverside
City of Torrance
City of Upland
City of Vista

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

FEDERAL GOVERNMENT

Special Inspector General for Afghanistan Reconstruction

OTHER AUDITS

Area Housing Authority of the County of Ventura
City and County of the Fresno Housing Authority
City of Los Angeles Housing Authority

City of Oxnard Housing Authority
County of San Bernardino Housing Authority

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

JEFF BALL, CPA SENIOR MANAGER

California CPA Certificate No. 130841



Jeff Ball will serve as the manager of the San Bernardino LAFO. Mr. Ball has over ten years of audit experience. His experience has encompassed financial and compliance audits of governmental agencies, which have been performed in accordance with Government Auditing Standards and have all included a review of the entity's internal control and financial management system. Mr. Ball has performed financial statement audits of special districts and cities; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits; and compliance audits. He will conduct the day-to-day fieldwork, supervise all staff auditors on the engagement, and will prepare all financial statements and reports.

EDUCATION

Bachelor of Science, Business Economics w/ Emphasis Accounting
University of California, Santa Barbara

PROFESSIONAL AFFILIATIONS

California Society of Municipal Finance Officers
Audit Advisory Committee – City of Tacoma

RELEVANT EXPERIENCE

Special Districts

Beach Cities Heath District
Bighorn-Desert View Water Agency
Eastern Municipal Water District
Omnitrans
Salton Sea Authority
San Bernardino LAFCO

San Bernardino Water Authority
San Diego LAFCO
San Diego Port Authority
San Gabriel Water Quality Authority
South Montebello Irrigation District

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Local Government

City of Avalon
City of Costa Mesa *
City of Culver City
City of Fountain Valley
City of Highland
City of Inglewood
City of Lake Elsinore *
City of Mission Viejo
City of Moreno Valley
City of Morgan Hill *

City of Rancho Santa Margarita
City of Solana Beach
City of Santee
City of Huntington Beach *
City of Whittier
City of Victorville
City of Woodland
County of San Diego *
County of Placer *
City of Irvine *

* - Mr. Ball served as either engagement in-charge or manager on these engagements to perform Agreed Upon Procedures regarding Transient Occupancy Tax compliance.

Additionally, Mr. Ball serves as the engagement manager on the audit of financial information for approximately 35 health care plans as part of an engagement with CMS, SSAE 16 engagements, performance audits for the Special Inspector General for Afghanistan Reconstruction and audits of non-profit organizations summarized below:

Berkeley Hall School (NPO)
Earth Economics (NPO)
Special Inspector General

National Government Services (SSAE 16)
Center for Medicare and Medicaid Services

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

STEPHEN SCANNELL SUPERVISOR



Mr. Scannell will serve as the in-charge for Los Angeles County LAFCO. He has four years of audit experience, spending the majority of that time on audits for non-profits, and federal and local government engagements. The types of audits Mr. Scannell has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with OMB Circular A-133; Agreed upon procedure tax compliance audits; and Federal compliance audits.

EMPLOYMENT HISTORY

Davis Farr LLP: December 2015 to present
Other Professional Work Experience: Airline Captain, 2002 to 2011

EDUCATION

Bachelor of Science in Accounting, *Biola University*

AUDITS OF SPECIAL DISTRICTS

Cucamonga Valley Water District
Eastern Municipal Water District
LAFCO - Los Angeles & Orange Counties
Los Angeles Interagency Metro Police
Apprehension Crime Tax Force

Puente Basin Water Agency
San Bernardino Municipal Water
Sunny Slope Water Company
Walnut Valley Water District
West Basin Municipal Water District

AUDITS OF CITIES

City of Avalon
City of Commerce
City of El Segundo

City of Fontana
City of Upland

OTHER AUDITS – TRANSIENT OCCUPANCY TAX COMPLIANCE / AUP

City of Avalon
City of Corona
City of Costa Mesa
City of Cypress
City of Garden Grove
City of Huntington Beach
City of Indio
City of Irvine
City of Lake Elsinore

City of Morgan Hill
City of Newport Beach
City of South Gate
County of Placer
County of San Diego
County of Los Angeles Ground Lease
Hass Avocado Board
Sunkist Growers

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

LOI CHAU, CPA
SUPERVISOR

California CPA Certificate No. 139559

INTRODUCTION

Ms. Chau will serve as the in-charge for Orange County LAFCO. She has four years of audit experience, spending the majority of that time on audits for non-profits, and federal and local government engagements. The types of audits Ms. Chau has been involved include: financial audits of non-profits, cities and special districts; Single Audits in accordance with OMB Circular A-133; and Federal compliance audits.

EMPLOYMENT HISTORY

Davis Farr LLP: May 2017 to present
Kushner, Smith, Joanou & Gregs, LLP: 2017 (internship)

EDUCATION

Bachelor of Science in Business Administration/Accountancy, California State University Long Beach

RELEVANT EXPERIENCE:

AUDITS OF SPECIAL DISTRICTS

Area Housing Authority of Ventura County
Beach Cities Health District
LAFCO - Orange County

Metropolitan Water District
Placer County Water Agency
West Basin Municipal Water District

AUDITS OF CITIES

City of Commerce
City of Fontana

City of Laguna Niguel
City of Victorville

FEDERAL GOVERNMENT

Centers for Medicare and Medicaid Services
U.S. Department of Justice

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

ERIC VAN DER HOORN
SUPERVISOR

INTRODUCTION

Mr. van der Hoorn will serve as the in-charge of San Bernardino County LAFO. He has over three years of audit experience, spending the majority of that time on audits for non-profits, and federal and local government engagements. The types of audits Mr. van der Hoorn has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with OMB Circular A-133; and Federal compliance audits.

EMPLOYMENT HISTORY

Davis Farr LLP: May 2017 to present

EDUCATION

Bachelor of Arts in Accounting & Finance, Concordia University, Irvine

RELEVANT EXPERIENCE:

AUDITS OF SPECIAL DISTRICTS

Hass Avocado Board
Tahoe Regional Planning Agency

Trabuco Canyon Water District

AUDITS OF CITIES

City of Avalon
City of Costa Mesa
City of Garden Grove
City of Huntington Beach

City of Laguna Niguel
City of Rancho Santa Margarita
City of South Gate
City of Upland

OTHER AUDITS

County of Placer
Cucamonga Valley Water District
LAFCO - San Bernardino County

Tahoe Transportation District
Walnut Valley Water District
West Basin Municipal Water District

FEDERAL GOVERNMENT

Centers for Medicare and Medicaid Services
Special Inspector General for Afghanistan Reconstruction

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

KRISZTINA VARGA
SUPERVISOR

INTRODUCTION

Ms. Varga will serve as the in-charge for Imperial County LAFCO. She has four years of audit experience, spending the majority of that time on audits for non-profits, and local government. The types of audits Ms. Varga has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Single Audits in accordance with OMB Circular A-133.

EMPLOYMENT HISTORY

Davis Farr LLP: July 2017 to present
Invoco USA: 2012 to 2017

EDUCATION

Bachelor of Arts in Business Administration/Accounting, California State University of San Marcos

RELEVANT EXPERIENCE:

AUDITS OF SPECIAL DISTRICTS

Eastern Municipal Water District
Encinitas Ranch Golf Authority
LAFCO - Imperial & San Diego Counties
Leucadia Wastewater District
Rancho California Water District

San Diego Association of Governments
San Diego County Office of Emergency Services
San Diego County Water Authority
San Diego Geographic Information Source
San Dieguito River Park Valley JPA

AUDITS OF NON-PROFITS

Family YMCA of the Desert
San Diego Children's Discovery Museum

AUDITS OF CITIES AND COUNTY

City of Carlsbad
City of Poway
City of Santee

City of Vista
County of San Diego

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

ZACK ZITHISAKTHANAKUL, MPAcc
SUPERVISOR

INTRODUCTION

Mr. Zithisakthanakul will serve as the in-charge for Riverside County LAFCO. He has approximately four years of audit experience, spending the majority of that time on audits for non-profits, and federal and local government engagements. The types of audits Mr. Zithisakthanakul has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with OMB Circular A-133; and Federal compliance audits.

EMPLOYMENT HISTORY

Davis Farr LLP: January 2018 to present
Conrad LLP: May 2017 to December 2017

EDUCATION

Bachelor of Arts in Business Administration, *Vanguard University*
Masters of Professional Accountancy, *Biola University*

RELEVANT EXPERIENCE:

AUDITS OF SPECIAL DISTRICTS

Hass Avocado Board
Orange County Sanitation District
Riverside LAFCO

Tahoe Regional Planning Agency
Trabuco Canyon Water District
West Orange County Water Board

AUDITS OF CITIES

City of Coronado
City of Costa Mesa
City of Garden Grove

City of Huntington Beach
City of Mission Viejo

FEDERAL GOVERNMENT

Centers for Medicare and Medicaid Service
Special Inspector General for Afghanistan
Reconstruction

Section E – Audit Approach

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of District staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by LAFCO staff to avoid duplication or unnecessary requests for audit supporting schedules.
- Our firm's expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

Audit Software – We utilize CaseWare audit software for the electronic workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. CaseWare allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using CaseWare trial balance software are as follows:

- We create our own lead sheets (i.e., analytical review comparison schedules). This limits the amount of time finance staff spends creating audit schedules. Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide LAFCO with financial statements almost immediately after receiving the trial balance from LAFCO. Additionally, journal entries are easy to post to the financial statement schedules and the risk of data entry error is minimized.
- We can provide LAFCO with reports showing the coding of the financial statement schedules for ease of review by District staff. These reports show each account coded to a specific financial statement line item as well as journal entries that are posted during the audit.

Data Mining Software

We have a dedicated team of personnel trained to use special data mining software, IDEA. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Internal Control Evaluation

Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

Audit Stage	Procedures Performed
<i>Planning and inquiry</i>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none">• Meet with finance personnel to obtain an understanding of significant transactions during the year.• Communicate with the Board of Commissioners regarding fraud, compliance with laws, and any concerns they have regarding the finances of LAFCO.• Perform internal control evaluations as noted on the previous page.• Determine materiality levels that will be used in selecting audit transactions.• Perform a risk assessment to develop the audit plan for the year.• Review minutes of Board of Commissioners meetings.• Review important new contracts, bond documents, and agreements.• Evaluate compliance with investments.• Test purchase orders and contract management.• Test a sample of cash disbursements to determine adherence to policies and internal controls.• Perform a review of LAFCO's information systems and controls.• Perform compliance testing of federal grants, as necessary.• Review the prior audited financial statements and provide feedback to staff regarding best practices for financial reporting.• Provide a GASB Update and templates for implementing new accounting standards as necessary.

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Year-End Testing	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none">• We will confirm 100% of all cash and investment balances and test market values provided by your investment custodians.• We will test for proper cutoffs of accounts receivable and grants receivable.• We will confirm and test material notes and loans receivable.• We will test additions and deletions to capital assets. We will review depreciation expense for reasonableness.• We will test current liabilities and perform a search for unrecorded liabilities.• We will review unearned revenue balances for proper cutoffs.• We will test the balances of accrued payroll and employee related liabilities.• We will confirm long-term debt with independent parties.• In years of new debt issuances, we will review the journal entry to record the debt to ensure the accuracy of the accounting.• We will test actuarial valuations and calculations related to pension obligations and disclosures under GASB 68.• We will test reasonableness of claims and judgments payable.• We will test restrictions and classifications of net position.• We will analyze grant revenues and expenses to ensure proper matching within the fiscal year.• We will test the reasonableness of interest income, realized, and unrealized gains/losses on investments.• We will analytically and substantively test revenues and expenses reported in the financial statements.• We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the final stage of the audit we will meet with Finance staff to review our audit findings and any adjusting journal entries.</p>
-------------------------	---

Local Agency Formation Commission

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Completion of the Audit and Preparation of Financial Statements	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> • We will review significant events after year end • We will review attorney letters for significant legal matters • We will prepare and review the Financial Statements • We will ensure accurate and complete disclosures in the notes to the financial statements. • We will meet with the Board of Commissioners to present the results of the audit.
--	--

Section F – Implementation of New GASB Pronouncements

LAFCO will be required to implement the following accounting standards during the upcoming fiscal years. Part of our service to you includes consulting on these new auditing standards. A sampling of significant new GASB pronouncements planned or proposed for local governments that may impact the Local Agency Formation Commission are listed below:

GASB	Description
<i>GASB 84: Fiduciary Activities</i>	This statement establishes criteria for identifying fiduciary activities of all state and local governments. The statement describes four fiduciary funds that should be reported, if applicable: (1) pension trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. We will work with LAFCO to identify the activities required to be reported in these four fund types and provide transition guidance.
<i>GASB 87: Leases</i>	The objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments.
<i>GASB 90: Majority Equity Interests</i>	This statement is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.
<i>GASB 91: Conduit Debt Obligations</i>	The primary objectives of this Statement are to eliminate diversity in practice associated with conduit debt obligations.

Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed is as follows:

- We will perform an audit examination of the financial statements of the Local Agency Formation Commission for the fiscal years ending June 30, 2021. Our examination will be conducted in accordance with generally accepted auditing standards, the AICPA Audit and Accounting Guide, Audits of State and Local Government Units, and the Government Auditing Standards issued by the Comptroller General of the United States. We will ensure that the report is prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements.
- We will prepare a letter to the Board of commissioners summarizing the audit results in accordance with the Codification of Auditing Standards Section 260.
- We will prepare a letter to the Board of Commissioners reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards Section 265. We will immediately report any irregularities or illegal acts that come to our attention to management and/or those charged with governance.
- We will attend Board of Commissioner's meetings as requested and present the results of the audit to the Board.
- Finally, we perceive the scope of our work as being advisors to LAFCO regarding generally accepted accounting principles. Throughout the year, the management and other finance personnel of LAFCO will have access to us to seek advice in the application of generally accepted accounting principles, advice regarding debt issuance, financial statement preparation and content, tax and any other matters relating to LAFCO. Each year, we will go over upcoming accounting standards in a meeting with staff.

Identification of Anticipated Potential Audit Problems

We do not believe there will be any anticipated potential audit problems.

APPENDIX

**EXHIBIT B
PROJECT SCHEDULE**

IMPERIAL

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	December 18, 2020
Kickoff Meeting	Intro. Firm staff to LAFCO	As requested by staff
Management Engagement Letters	Made available to LAFCO Staff	90 days prior to fieldwork
PBC List Distribution	Made available to LAFCO Staff	90 days prior to fieldwork
Fieldwork	On-site/Remote	As requested by staff
Draft Audit for Staff		Within three weeks of final fieldwork
Auditor revising document		Within 5 days of client review
Final Audit for Commission	Within 5 days of client acceptance of final draft, no later than January 24	
Commission Meeting		As requested by staff

LOS ANGELES

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	December 18, 2020
Kickoff Meeting	Intro. Firm staff to LAFCO	As requested by staff
Management Engagement Letters	Made available to LAFCO Staff	90 days prior to fieldwork
PBC List Distribution	Made available to LAFCO Staff	90 days prior to fieldwork
Fieldwork	On-site/Remote	As requested by staff
Draft Audit for Staff		Within three weeks of final fieldwork
Auditor revising document		Within 5 days of client review
Final Audit for Commission	Within 5 days of client acceptance of final draft, no later than January 24	
Commission Meeting		As requested by staff

ORANGE

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	December 18, 2020
Kickoff Meeting	Intro. Firm staff to LAFCO	As requested by staff
Management Engagement Letters	Made available to LAFCO Staff	90 days prior to fieldwork
PBC List Distribution	Made available to LAFCO Staff	90 days prior to fieldwork
Fieldwork	On-site/Remote	As requested by staff
Draft Audit for Staff		Within three weeks of final fieldwork
Auditor revising document		Within 5 days of client review
Final Audit for Commission	Within 5 days of client acceptance of final draft, no later than January 24	
Commission Meeting		As requested by staff

RIVERSIDE

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	December 18, 2020
Kickoff Meeting	Intro. Firm staff to LAFCO	As requested by staff
Management Engagement Letters	Made available to LAFCO Staff	90 days prior to fieldwork
PBC List Distribution	Made available to LAFCO Staff	90 days prior to fieldwork
Fieldwork	On-site/Remote	As requested by staff
Draft Audit for Staff		Within three weeks of final fieldwork
Auditor revising document		Within 5 days of client review
Final Audit for Commission	Within 5 days of client acceptance of final draft, no later than January 24	
Commission Meeting		As requested by staff

SAN BERNARDINO

Project Schedule		
Tasks	Projection Description	Target Completion Date
Contract Execution	Include Certificates of Insurance	December 18, 2020
Kickoff Meeting	Intro. Firm staff to LAFCO	As requested by staff
Management Engagement Letters	Made available to LAFCO Staff	90 days prior to fieldwork
PBC List Distribution	Made available to LAFCO Staff	90 days prior to fieldwork
Fieldwork	On-site/Remote	As requested by staff
Draft Audit for Staff		Within three weeks of final fieldwork
Auditor revising document		Within 5 days of client review
Final Audit for Commission	Within 5 days of client acceptance of final draft, no later than January 24	
Commission Meeting		As requested by staff

***Include any additional tasks, as you feel appropriate and necessary.
These schedules are subject to negotiation with each respective LAFCO.**

**EXHIBIT C
PRICING SHEET**

LAFCO	Description of Services	Estimated Hours	Year Ended June 30				1-yr option to extend
			2021	2022	2023	2024	
<u>1. Imperial</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.		\$8,300	8,450	8,625	8,800	9,000
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.		250	255	260	265	270
Maximum Not to Exceed Amount			\$8,550	8,705	8,885	9,065	9,270
<u>2. Los Angeles</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.		\$7,600	7,750	7,900	8,000	8,225
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.		250	255	260	265	270
Maximum Not to Exceed Amount			\$7,850	8,005	8,160	8,265	8,495
<u>3. Orange</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.		\$7,155	7,230	7,375	7,500	7,650
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.		250	255	260	265	270
Maximum Not to Exceed Amount			\$7,405	7,485	7,635	7,765	7,920

LAFCO	Description of Services	Estimated Hours	Year Ended June 30				1-yr option to extend
			2021	2022	2023	2024	
<u>4. Riverside</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.		\$7,600	7,750	7,900	8,000	8,225
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.		250	255	260	265	270
Maximum Not to Exceed Amount			\$7,850	8,005	8,160	8,265	8,495
<u>5. San Bernardino</u>	Audit of LAFCO, including the implementation of the GASB pronouncements and ongoing audit procedures of GASB, audit preparation and management letter.		\$8,300	8,450	8,625	8,800	9,000
	Option to prepare the Management and Discussion Analysis (MD&A) on behalf of management.		250	255	260	265	270
Maximum Not to Exceed Amount			\$8,550	8,705	8,885	9,065	9,270

Hourly Rates:

Classification	Hourly Rate	Estimated No. of Hours
Partner	\$165	35
Manager	130	53
Senior Auditor	105	140
Staff Accountant	95	122



Report on the Firm's System of Quality Control

Davis Farr LLP

Irvine, California;

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and examination of a service organization (SOC 1, Type 2 Report).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

4120 Concourse, Suite 100, Ontario, CA 91764
909.948.9990 / 800.644.0696 / FAX 909.948.9633
gyl@gylcpa.com
www.gylcpa.com



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GFL LLP

Ontario, California
September 23, 2019