



Local Agency Formation Commission
for the County of Los Angeles

LIVE VIRTUAL COMMISSION MEETING

LOCAL AGENCY FORMATION COMMISSION

Wednesday, May 11th, 2022

8:30 A.M.

Pursuant to Chapter 2, Section 5 of the Rules of the Commission, at its April 13, 2022 meeting, the Commission rescheduled its regular meeting to commence at 8:30 a.m. on May 11, 2022.

This meeting will be conducted as a virtual meeting with telephone 1-415-655-0001 (Access Code: 2592 431 9589) and web access (<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/onstage/g.php?MTID=eb33e1c2da766039c548bfc62785ae23e>) pursuant to the provisions of Government Code § 54953 relative to virtual meetings, as well as the County of Los Angeles "Best Practices to Prevent COVID-19".

FOR MEMBERS OF THE PUBLIC

TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:

1-415-655-0001

Access Code: 2592 431 9589 (English)

OR TO LISTEN VIA WEB AND PROVIDE COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/onstage/g.php?MTID=eb33e1c2da766039c548bfc62785ae23e>

TO PROVIDE WRITTEN PUBLIC COMMENT: Any interested person may submit written opposition or comments by email at info@lalafo.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.lalafo.org.

Voting Members

Jerry Gladbach
Chair

Donald Dear
1st Vice-Chair

Gerald McCallum
2nd Vice-Chair

Francine Oschin
Kathryn Barger
Margaret Finlay
John Lee
John Mirisch
Holly Mitchell

Alternate Members

Anthony Bell
Michael Davitt
David Lesser
Mel Matthews
Hilda Solis
Vacant
(City of Los Angeles)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive
Officer

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

80 South Lake
Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lalafo.org

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

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

6. **CONSENT ITEM(S)**

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

- a. Approve Minutes of April 13, 2022.
- b. Approve Operating Account Check Register for the month of April, 2022.
- c. Receive and file Update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857 (None).
- e. Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County, and California Environmental Quality Act (CEQA) exemption.
- f. Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County, and California Environment Quality Act (CEQA) exemption.
- g. As-Needed Alternate Legal Counsel Contract Extensions

7. **PUBLIC HEARING(S)**

- a. Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County, and California Environmental Quality Act (CEQA) exemption.

8. **PROTEST HEARING(S)**

(None).

9. **OTHER ITEMS**

- a. Other Post-Employment Benefits Actuarial Study as of June 30, 2022
- b. California Employees Retiree Benefit Trust (CERBT) Fund Transfer
- c. Outside Employment Request of Executive Officer

10. **LEGISLATION**

- a. Legislative Update

11. **MISCELLANEOUS CORRESPONDENCE**

- a. Memorandum of April 25, 2022 from Bill Kruse concerning the Independent Special District Selection Committee's appointment of Jerry Gladbach (Independent Special District Voting Member) and Mel Matthews (Independent Special District Alternate Member) to additional four-year terms on the Commission, which will end in May of 2026.

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. Verbal Update

14. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

15. **FUTURE MEETINGS**

June 8, 2022
July 13, 2022
August 10, 2022

16. **ADJOURNMENT**



Local Agency Formation Commission
for the County of Los Angeles

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1st Vice-Chair

Gerald McCallum
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80 South Lake Avenue
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www.lalafco.org

DRAFT

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

April 13, 2022

Present:

Jerry Gladbach, Chair

Lori Brogin-Falley
Donald Dear
Margaret Finlay
John Lee
Gerard McCallum
John Mirisch
Holly Mitchell

Anthony Bell, Alternate
Michael Davitt, Alternate
David Lesser, Alternate
Mel Matthews, Alternate

Paul Novak, Executive Officer
Tiffani Shin, Legal Counsel

Absent:

Kathryn Barger

Hilda Solis, Alternate

Vacant:

City of Los Angeles, Alternate Member

1 CALL MEETING TO ORDER

The meeting was called to order at 9:07 a.m. as a live virtual Commission meeting, with public comment accepted via e-mail, computer, or phone through the conclusion of public testimony.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Gladbach.

WELCOMING OF NEW COMMISSIONER

Chair Gladbach welcomed new Commissioner Anthony Bell as the Alternate Voting Member representing the San Fernando Valley. This appointment is to fulfill the unexpired term of Commissioner Brogin-Falley, who was previously the Alternate Member for the San Fernando Valley, and for a new four-year term ending May of 2026.

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 Government Code § 54953 relative to virtual meetings, as well as the County of Los Angeles "Best Practices to Prevent COVID-19". LAFCO's legal counsel 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 e-mail, 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 SWEARING-IN OF SPEAKER(S)

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

5 PUBLIC COMMENT

(None).

6 CONSENT ITEM(S)

The Commission took the following actions under Consent Items:

- a. Approved Minutes of March 9, 2022.
- b. Approved Operating Account Check Register for the month of March 2022.
- c. Received and filed update on Pending Proposals.
- d. Information Item(s) – Government Code §§ 56751 & 56857.
(None).
- e. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1098 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2022-05RMD.
- f. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1103 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2022-06RMD.
- g. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1104 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2022-07RMD.
- h. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1105 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2022-08RMD.
- i. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1106 to the Santa Clarita Valley Sanitation District of Los Angeles County; Resolution No. 2022-09RMD.
- j. Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 764 to the County Sanitation District No. 21 of Los Angeles County; Resolution No. 2022-10RMD.

MOTION:	Dear	SECOND: McCallum	APPROVED: 8-0-0
AYES:	Brogin-Falley, Dear, Finlay, Lee, McCallum, Mirisch, Mitchell, Gladbach		
NOES:	None.		
ABSTAIN:	None.		
ABSENT:	Barger		

7 PUBLIC HEARING(S)

The following item was called up for consideration:

- a. Recommended Final Budget for Fiscal Year 2022-23.

The EO summarized the staff report on this item.

The public hearing was opened to receive testimony on the budget hearing.

The Commission took the following actions:

- Adopted the Recommended Final Budget for Fiscal Year 2022-23; and
- Directed the Executive Officer to transmit the adopted Final Budget to local agencies and other parties as required by law.

MOTION:	Finlay	SECOND:	Dear	APPROVED:	8-0-0
AYES:	Brogin-Falley, Dear, Finlay, Lee, McCallum, Mirisch, Mitchell, Gladbach				
NOES:	None.				
ABSTAIN:	None.				
ABSENT:	Barger				

8 PROTEST HEARING(S)

(None).

9 OTHER ITEMS

The following item was called for consideration:

- a. Adoption of Resolution Authorizing Remote Teleconference Meetings of the Commission pursuant to Government Code § 54953(e) and Making Required Findings.

The EO summarized the staff report on this item.

The EO indicated that the May 11th Commission meeting conflicts with the Board of Supervisors Budget Hearing of the same day. After considering several options, the Commission agreed to schedule the May 11th meeting at 8:30 a.m. and to conduct the meeting as a virtual meeting.

The Commission took the following actions:

- Adopted the Resolution Making Determinations Approving Resolution of the Local

Agency Formation Commission for the County of Los Angeles Authoring Remote Teleconference Meetings of the Legislative Body of the Los Angeles Formation Commission for the County of Los Angeles for the meetings of April 13, 2022, and May 11, 2022, pursuant to the Ralph M. Brown Act; Resolution No. 2022-11RMD; and

- Directed the Executive Officer to schedule the May 11th meeting at 8:30 a.m.

MOTION: Dear SECOND: Mirisch APPROVED: 8-0-0
AYES: Brogin-Falley, Dear, Finlay, Lee, McCallum, Mirisch, Mitchell,
Gladbach
NOES: None.
ABSTAIN: None.
ABSENT: Barger

9 OTHER ITEMS

The following item was called for consideration:

- b. Proposed Telecommuting Program.

The EO summarized the staff report on this item.

The Commission took the following action:

- Authorized the Executive Officer and Deputy Executive Officer to implement a telecommuting program, consistent with the parameters described in the staff report.

MOTION: Mirisch SECOND: Finlay APPROVED: 7-1-0
AYES: Brogin-Falley, Dear, Finlay, Lee, Mirisch, Mitchell, Gladbach
NOES: McCallum
ABSTAIN: None.
ABSENT: Barger

[Commissioners Dear, Finlay, and McCallum left at 9:35 a.m.]

10 LEGISLATION

The following item was called up for consideration:

- a. Legislative Update.

The EO summarized the staff report on this item.

The Commission took the following action:

- Received and filed the Legislative Update.

MOTION: Finlay SECOND: Matthews (Alt. for Dear) APPROVED: 8-0-0
AYES: Brogin-Falley, Davitt (Alt. for Finlay), Lee, Lesser (Alt. for McCallum),
Matthews (Alt. for Dear), Mirisch, Mitchell, Gladbach
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Dear, Finlay, McCallum

11 MISCELLANEOUS CORRESPONDENCE

(None).

12 COMMISSIONERS' REPORT

(None).

13 EXECUTIVE OFFICER'S REPORT

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

The EO summarized the Written Update.

The EO thanked Adriana Romo (Deputy Executive Officer) and Amber De La Torre (Analyst) for preparing the staff reports for six (6) sanitation district annexations which appeared on today's agenda.

The EO welcomed LAFCO's new GIS Technician, Taylor Morris.

The Commission took the following actions:

- Received and filed the Executive Officer's Written Update and Verbal Update.

MOTION: Lesser (Alt. for McCallum) SECOND: Mirisch APPROVED: 8-0-0
AYES: Brogin-Falley, Davitt (Alt. for Finlay), Lee, Lesser (Alt. for McCallum),
Matthews (Alt. for Dear), Mirisch, Mitchell, Gladbach
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Dear, Finlay, McCallum

14 PUBLIC COMMENT

(None).

15 FUTURE MEETINGS

May 11, 2022 (8:30 a.m.)

June 8, 2022

July 13, 2022

15 ADJOURNMENT MOTION

Chair Gladbach adjourned the live virtual meeting at 9:40 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

10:54 AM

04/28/22

Cash Basis

LA LAFCO

Register Report

April 2022

Type	Date	Num	Name	Paid Amount	Balance
Apr 22					
Check	04/01/2022	ADP	ADP	-180.03	-180.03
Check	04/01/2022	ADP	ADP	-38.63	-218.66
Bill Pmt -Check	04/14/2022	11263	Allied Public Risk	-20,134.00	-20,352.66
Bill Pmt -Check	04/14/2022	11264	Adriana Romo*	-261.22	-20,613.88
Bill Pmt -Check	04/14/2022	11265	Certified Records M...	-1,597.57	-22,211.45
Bill Pmt -Check	04/14/2022	11266	Charter Communica...	-527.88	-22,739.33
Bill Pmt -Check	04/14/2022	11267	CoreLogic	-28.80	-22,768.13
Bill Pmt -Check	04/14/2022	11268	County Counsel	-8,694.10	-31,462.23
Bill Pmt -Check	04/14/2022	11269	CTS Clouds LLC	-945.00	-32,407.23
Bill Pmt -Check	04/14/2022	11270	Daily Journal*	-100.30	-32,507.53
Bill Pmt -Check	04/14/2022	11271	FedEx	-72.57	-32,580.10
Bill Pmt -Check	04/14/2022	11272	LACERA-OPEB	-1,696.07	-34,276.17
Bill Pmt -Check	04/14/2022	11273	Motor Parks	-495.00	-34,771.17
Bill Pmt -Check	04/14/2022	11274	Office Depot*	-63.61	-34,834.78
Bill Pmt -Check	04/14/2022	11275	Quadient Leasing U...	-501.22	-35,336.00
Bill Pmt -Check	04/14/2022	11276	Staples	-58.47	-35,394.47
Bill Pmt -Check	04/14/2022	11277	Total Compensation...	-1,260.00	-36,654.47
Bill Pmt -Check	04/14/2022	11278	Wells Fargo-Elite C...	-6,443.35	-43,097.82
Bill Pmt -Check	04/14/2022	11279	Yvonne Green CPA	-250.00	-43,347.82
Bill Pmt -Check	04/14/2022	11280	FedEx	-20.98	-43,368.80
Check	04/15/2022	DD	Ambar De La Torre	-2,452.67	-45,821.47
Check	04/15/2022	DD	Douglass S Dorado	-3,410.49	-49,231.96
Check	04/15/2022	DD	Adriana L Flores	-1,211.07	-50,443.03
Check	04/15/2022	DD	Paul A Novak	-5,749.46	-56,192.49
Check	04/15/2022	DD	Alisha O'Brien	-2,560.47	-58,752.96
Check	04/15/2022	DD	Adriana Romo	-3,761.45	-62,514.41
Check	04/15/2022	DD	Taylor J Morris	-1,291.59	-63,806.00
Check	04/15/2022	DD	State Income Tax	-1,688.29	-65,494.29
Check	04/15/2022	DD	Federal Tax Deposit	-5,947.20	-71,441.49
Bill Pmt -Check	04/20/2022	11281	Wavelength Automa...	-1,068.00	-72,509.49
Check	04/22/2022	ADP	ADP	-147.93	-72,657.42
Bill Pmt -Check	04/28/2022	11282	ATT	-557.30	-73,214.72
Bill Pmt -Check	04/28/2022	11283	FedEx	-49.46	-73,264.18
Bill Pmt -Check	04/28/2022	11284	LACERA	-16,549.90	-89,814.08
Bill Pmt -Check	04/28/2022	11285	Motor Parks	-630.00	-90,444.08
Bill Pmt -Check	04/28/2022	11286	Quadient Finance U...	-61.09	-90,505.17
Bill Pmt -Check	04/28/2022	11287	The Lincoln National	-270.96	-90,776.13
Bill Pmt -Check	04/28/2022	11288	Total Compensation...	-1,260.00	-92,036.13
Bill Pmt -Check	04/28/2022	11289	Tropical Interior Plants	-145.00	-92,181.13
Check	04/29/2022	DD	Federal Tax Deposit	-275.43	-92,456.56
Check	04/29/2022	63090...	Brogin-Falley Lori	-138.53	-92,595.09
Check	04/29/2022	63090...	Edward G Gladbach	-138.53	-92,733.62
Check	04/29/2022	63090...	Margaret E Finlay	-138.53	-92,872.15
Check	04/29/2022	DD	Anthony E Bell	-138.52	-93,010.67
Check	04/29/2022	DD	Michael T Davitt	-138.53	-93,149.20
Check	04/29/2022	DD	Donald Dear	-138.53	-93,287.73
Check	04/29/2022	DD	John S Lee	-138.52	-93,426.25
Check	04/29/2022	DD	David J Lesser	-138.53	-93,564.78
Check	04/29/2022	DD	Melvin L Matthews	-138.53	-93,703.31
Check	04/29/2022	DD	Gerard McCallum II	-138.53	-93,841.84
Check	04/29/2022	DD	John A Mirisch	-138.53	-93,980.37
Check	04/29/2022	DD	Holly J Mitchell	-124.87	-94,105.24
Check	04/29/2022	DD	Federal Tax Deposit	-6,282.41	-100,387.65
Check	04/29/2022	DD	State Income Tax	-1,819.99	-102,207.64
Check	04/29/2022	DD	Ambar De La Torre	-2,452.66	-104,660.30
Check	04/29/2022	DD	Douglass S Dorado	-3,410.48	-108,070.78
Check	04/29/2022	DD	Adriana L Flores	-1,211.09	-109,281.87
Check	04/29/2022	DD	Taylor J Morris	-2,531.69	-111,813.56
Check	04/29/2022	DD	Paul A Novak	-5,672.29	-117,485.85
Check	04/29/2022	DD	Alisha O'Brien	-2,560.47	-120,046.32
Check	04/29/2022	DD	Adriana Romo	-3,761.45	-123,807.77
Check	04/29/2022	ADP	ADP	-38.63	-123,846.40
Apr 22				-123,846.40	-123,846.40

AGENDA ITEM NO. 6.c. May 11, 2022						
PENDING PROPOSALS As of April 28, 2022						
		LAFCO Designation Number	Applicant	Description	Status	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40, Antelope Valley	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-22	5/16/2006 Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40, Antelope Valley	Los Angeles County Waterworks District No. 40, Antelope Valley	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-23	10/5/2006 Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40, Antelope Valley	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-24	12/1/2006 Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H. And Ave. I. in the City of Lancaster. For future construction of a school.	Application complete, missing BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17	9/22/2008 Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	6/9/2010 Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC.	10/25/2010 Unknown
7	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution and approved map and legal.	12/10/2014 Unknown
8	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	11/2/2015 Unknown
9	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way. all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	2/22/2016 Unknown
10	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	7/10/2017 Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
11	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
12	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Charlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
13	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditors determination, plan for services, and approved map and geographic description.	10/2/2019	Unknown
14	DD	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
15	AD	Annexation 300 to District no. 15	Los Angeles County 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.	Agenda, May 11, 2022	10/5/2020	Jun-2022
16	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1098	Los Angeles County Sanitation Districts	0.49 acres of uninhabited territory. The affected territory is located on Sierra Highway approximately 300 feet south of Arline Street, all within Unincorporated Los Angeles County.	Agenda, April 13, 2022	6/9/2021	May-2022
17	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1102	Los Angeles County Sanitation Districts	3.83 acres of uninhabited territory. The affected territory is located on the northwest corner of Ruether Avenue and Santa Clara Street, all within the City of Santa Clarita.	Agenda, May 11, 2022	6/9/2021	Jun-2022
18	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1103	Los Angeles County Sanitation Districts	0.3 acres of uninhabited territory. The affected territory is located on the southwest corner of Wabuska Street and Wiley Canyon Road, all within the City of Santa Clarita.	Agenda, April 13, 2022	6/9/2021	May-2022
19	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1104	Los Angeles County Sanitation Districts	4.53 acres of uninhabited territory. The affected territory has 2 parcels. Parcel 1 is located on the west side of Sand Canyon at Sky Ranch Road; Parcel 2 is located on the west side of Sand Canyon Road at Warmuth Road, all within the City of Santa Clarita.	Agenda, April 13, 2022	6/9/2021	May-2022
20	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1105	Los Angeles County Sanitation Districts	16.81 acres of uninhabited territory. The affected territory is located on Lowridge Place west of Willowtree Court, all within Unincorporated Los Angeles County.	Agenda, April 13, 2022	6/9/2021	May-2022
21	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1106	Los Angeles County Sanitation Districts	1.38 acres of uninhabited territory. The affected territory is located on the south side of Placeritos Boulevard approximately 700 feet east of Aden Avenue, all within the City of Santa Clarita.	Agenda, April 13, 2022	6/9/2021	May-2022
22	AD	Annexation 432 to District no. 14	Los Angeles County Sanitation Districts	1.253 acres of uninhabited territory. The affected territory is located on the west side of 45th Street West approximately 200 feet south of Avenue K-12, all within the Unincorporated Los Angeles County.	Agenda, May 11, 2022	6/21/2021	Jun-2022

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
23	DD	Annexation No. 2021-02 to the Los Angeles County Watersheds District No. 40, Antelope Valley	Andrew J Eliopoulos	annex 6.58± acres of vacant land to Los Angeles County Watersheds District No 40 for retail water services. The affected territory is located north of Eliopoulos Ranch Drive between Yianni Court and Marina Court, in the City of Palmdale	Notice of Filing Sent 6-30-21 Incomplete Filing: TTR, CEQA, and approved map and geographic description	6/1/2021	Unknown
24	AD	Annexation 764 to District no. 21	Los Angeles County Sanitation Districts	0.994 acres of uninhabited territory. The affected territory is located on the south side of Baseline Road approximately 120 feet southwest of Silver Tree Road, all within the City of Claremont.	Agenda, April 13, 2022	8/5/2021	May-2022
25	AOB	Annexation No. 2021-08 to the Los Angeles County Watersheds District No. 40, Antelope Valley	KB Home Greater Los Angeles, Inc.	9.29 acres of uninhabited territory. The affected territory is located at the northeast corner of 65th Street West and Newgrove Street, all within the City of Lancaster.	Notice of Filing Sent 9-7-21 Incomplete filing: property tax transfer resolution.	8/30/2021	Unknown
26	DD	Formation No. 2019-04 of the Acton/Agua Dulce Garbage Disposal District	County of Los Angeles	150,982 acres of inhabited territory. The affected territory is located in the unincorporated county area of Acton and Agua Dulce	Notice of Filing sent 9-29-21 TTR/Auditors determination, plan for services, and approved map and geographic description.	9/14/2021	Unknown
27	DD	Formation No. 2019-05 East Antelope Valley Garbage Disposal District	County of Los Angeles	459,925 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, east of state route 14.	Notice of Filing sent 9-29-21 TTR/Auditors determination, plan for services, and approved map and geographic description.	9/14/2021	Unknown
28	DD	Formation No. 2019-06 of the West Antelope Valley Garbage Disposal District	County of Los Angeles	293,394 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, west of state route 14.	Notice of Filing sent 9-29-21 TTR/Auditors determination, plan for services, and approved map and geographic description.	9/14/2021	Unknown
29	DD	Formation No. 2021-07 of the Quartz Hill Garbage Disposal District	County of Los Angeles	6.575 acres of inhabited territory. The affected territory is located in the unincorporated county area of Quartz Hill	Notice of Filing sent 9-29-21 TTR/Auditors determination, plan for services, and approved map and geographic description.	9/14/2021	Unknown
30	AD	Annexation 433 to District no. 14	Los Angeles County Sanitation Districts	81 Acres of uninhabited territory. The affected territory is located on 40th street East approximately 800 feet south of Avenue L, all within the City of Palmdale.	Notice of Filing Sent 11-4-21 Incomplete filing: property tax transfer resolution.	11/4/2021	Unknown
31	AOB	Reorganization No. 2021-03 for the Artesia Cemetery District, the Downey Cemetery District, and the Little Lake Cemetery District	Artesia Cemetery District, and behalf of Downey Cemetery District and Little Lake Cemetery District	Reorganization of territory located within Cities of Bell Gardens, Bellflower, Cerritos, Downey, La Mirada, Lakewood, Paramount, Santa Fe Springs, South Gate; and Los Angeles County unincorporated territory (South Whittier).	Notice of Filing Sent 12-22-21 Incomplete filing: property tax transfer resolution.	12/20/2021	Unknown
32	DD	Annexation No. 2021-10 to the City of Bradbury	City of Bradbury	.66± acres of uninhabited territory. The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane, adjacent to the City of Bradbury.	Notice of Filing sent 12-06-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, and approved map and geographic description	11/29/2021	Unknown
33	DD	Annexation No. 2021-09 to the City of Whittier	City of Whittier	58± acres of inhabited territory. The affected territory is located along Whittier Blvd. between interstate 605 and Sorensen Ave, adjacent to the City of Whittier.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, and approved map and geographic description	12/13/2021	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
34	DD	Reorganization No. 2019-04 to the City of La Verne	Saint George Properties, LLC	19.44± acres of uninhabited territory. The affected territory is located north of Baseline Road and Japonica Avenue, adjacent to the City of La Verne.	Notice of Filing sent 12-22-21 Incomplete Filing: reorg fees, property tax transfer resolution, limiting addresses map and list, LLC documents, pre-zoning, and approved map and geographic description	12/21/2021	Unknown
35	DD	Reorganization No. 2021-11 to the City of Los Angeles	Television City Studios, LLC	.64± acres of uninhabited territory. The affected territory is located south of the intersection of Beverly Blvd and Genesee Ave, surrounded by the City of Los Angeles.	Application can't start, waiting for a sufficient map and geographic description to be submitted.	12/29/2021	Unknown
36	AOB	Annexation No. 2022-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Royal Investors, LLC	30± acres of uninhabited territory. The affected territory is generally located at northwest corner of 40th Street East and Lancaster Boulevard, within the City of Lancaster.	Notice of Filing Sent 02-01-22 Incomplete filing: property tax transfer resolution, approved map and geographic description	1/20/2022	Unknown

Staff Report

May 11, 2022

Agenda Item No. 6.e.

Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	1.253± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	County Sanitation District No. 14 of Los Angeles County (District)
Resolution:	March 11, 2021
Application Filed with LAFCO:	June 14, 2021
Certificate of Filing	April 14, 2022
Location:	The affected territory is located on the west side of 45 th Street West approximately 200 feet south of Avenue K-12.
City/County:	Los Angeles County unincorporated territory
Affected Territory:	The affected territory is vacant. The territory consists of one (1) proposed single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential and vacant residential.
Landowners:	R and O Chinchilla Inc.
Registered Voters:	Zero (0) registered voters as of May 13, 2021.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Jurisdictional Changes:	The jurisdictional changes that result from this proposal include annexation to the County Sanitation District No. 14 of Los Angeles County.

Within SOI:	The affected territory is within the County Sanitation District No. 14 SOI.
Waiver of Public Hearing:	Pursuant to Government Code § 56662(a), the Commission may waive notice and the public hearing for the annexation, because the proposal meets all of the following criteria: the affected territory is uninhabited; no affected local agency has submitted a written demand for a hearing within ten (10) days following the mailed hearing notice; and all owners of land within the affected have given their written consent to the proposal. Staff has therefore agendized the Proposal on the Commission "Consent Item(s)" portion of the Agenda as Agenda Item 6.e.
California Environmental Quality Act (CEQA) Clearance:	The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines § 15319(b) because the annexation consists of an individual small parcel of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures. A Categorical Exemption was adopted by the County Sanitation District No. 14 of Los Angeles County, as lead agency, on March 11, 2021.
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 April 14, 2022. In conjunction with the issuance of the COF, the Executive Officer set the date of consideration as Wednesday, May 11, 2022.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668:

a. Affected population, territory and adjacent areas:

The existing population is zero (0) residents as of January 28, 2020.

The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is three (3) residents.

The affected territory is 1.253+/- acres. The affected territory is vacant. The territory consists of one (1) proposed single-family home.

The assessed valuation is \$81,712 as of May 13, 2021.

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

On February 15, 2022, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution.

The topography of the affected territory is flat.

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

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

The affected territory is surrounded by populated areas to the north, south, west and vacant to the east.

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 (1) proposed single-family home which requires organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, there is no other sewer service alternative. The Los Angeles County Department of Public Health prohibits the installation, alteration, or repair of any on-site wastewater treatment systems for any building for which connection to a public sewer system is available within 200 feet. Due to the proposed land uses within the annexation area and its proximity to existing sewer infrastructure, public sewer service is the only viable alternative for development to occur. The cost of sewage disposal by the District is relatively preferable since the annexation is relatively close to an existing public sewer system. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

c. *Proposed Action 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 local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

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

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

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

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined by Government Code § 56016. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2016-2017 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.

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

g. *Regional Transportation Plan:*

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The closest highway in the RTP/SCS is the Antelope Valley Freeway, which is approximately 16,000 feet from the affected territory.

h. *Consistency with Plans:*

The proposal is consistent with the existing County's General Plan designation of Rural Land 1 (RL1).

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

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

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the County Sanitation District No. 14 of Los Angeles County.

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:*

Although the affected territory is not currently served by the District, the area was included in the future service area that might be served by the District in its Sewer Facilities Plan. The District's future wastewater management needs were addressed in the Lancaster Water Reclamation Plant 2020 Facilities Plan.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Antelope Valley-East Kern Water Agency which is the local water purveyor.

m. Regional Housing Needs:

This proposal will assist the County's ability to achieve its fair share of the regional housing needs since the annexation area is being developed with one (1) proposed 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's General Plan designation of Rural Land 1 (RL1).

The proposal is consistent with the existing County's zoning designation of Light Agricultural (A-1-1).

p. Environmental Justice:

The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal makes no representations on exclusions of peoples of any race, culture, income and/or national origins with respect to the location of public facilities and public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

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

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

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

a) District Annexation or City Detachment:

The proposed action involves a district annexation.

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

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

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

The proposed action does not involve a city detachment.

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

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

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

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

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

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

REGIONAL GROWTH CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668.5:

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

The proposed action does not impact the regional growth goals and policies of the RTP or SCS.

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

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319(b) because the annexation consists of an individual small parcel 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 exceptions 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 § 56662(a), the Commission may make determinations upon the proposed annexation 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 § 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 annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the County Sanitation District No. 14 of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

RECOMMENDED ACTION:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County.

**RESOLUTION NO. 2022-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 432 TO THE COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY"**

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

WHEREAS, the proposed annexation consists of approximately 1.253± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County"; and

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

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal service for one (1) proposed single-family home; 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 annexation ("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 § 56662; and

WHEREAS, the Executive Officer set the item for consideration for May 11, 2022 at 9:00 a.m., at the Commission's virtual meeting held by teleconference and web access pursuant to the provisions of Government Code Section § 54953 relative to virtual meetings, as well as the County of Los Angeles "Best Practices to Prevent COVID-19"; and

WHEREAS, on May 11, 2022, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, with respect to Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County, finds that the annexation is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319(b) because the annexation consists of an individual small parcel 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 exceptions that would make the exemption inapplicable based on the proposal records.
2. (Pursuant to Government Code § 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation is uninhabited; and
 - b. Pursuant to Government Code §§ 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 annexation, 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 annexation 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 § 56662 (a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. 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.
- 4. The affected territory consists of 1.253± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County".

- 5. Annexation No. 432 to the County Sanitation District No. 14 of Los Angeles County is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- b. The effective date of the annexation shall be the date of recordation 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 proved under Government Code § 56895.

- d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this change of organization/reorganization, will result in the change of organization/reorganization being terminated pursuant to Government Code § 57001 unless, prior to expiration of that year, the Commission authorizes an extension of time for that completion.
- e. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
- f. The regular County assessment roll shall be utilized by the District.
- g. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
- h. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
- i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and the State of California Board of Equalization. If LAFCO, the Los

Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.

- j. Except to the extent in conflict with "a" through "i", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code § 57325) shall apply to this annexation.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the County Sanitation District No. 14 of Los Angeles County.
7. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code § 56882.
8. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code § 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code § 57200, *et seq.*
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.

PASSED AND ADOPTED this 11th day of May 2022.

MOTION:

SECOND:

AYES:

NOES:

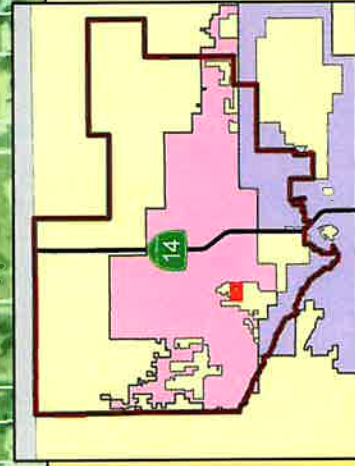
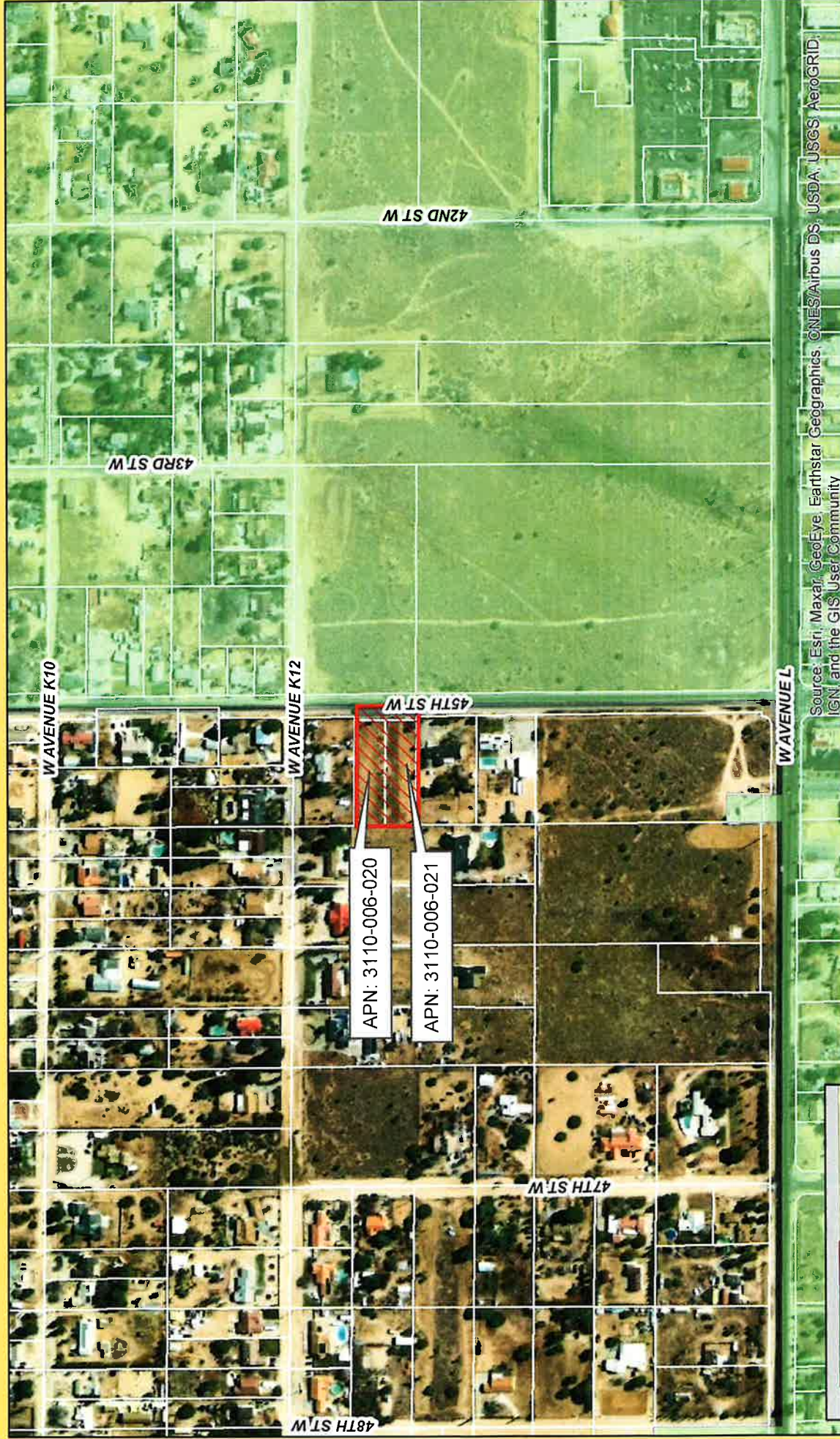
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

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

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



LAFCO
Local Agency Formation Commission
for the County of Los Angeles

May 11, 2022

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Annexation No. 432 to County Sanitation District No. 14



Legend

- 14-432
- Los Angeles County
- Sanitation District 14
- Boundary
- Unincorporated Territory
- Sphere of Influence, CSD 14

Staff Report

May 11, 2022

Agenda Item No. 6.f.

Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	3.83± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	Santa Clarita Valley Sanitation District of Los Angeles County
Resolution:	May 17, 2021
Application Filed with LAFCO:	June 9, 2021
Certificate of Filing	April 14, 2022
Location:	The affected territory is located on the northwest corner of Ruether Avenue and Santa Clarita Street.
City/County:	City of Santa Clarita.
Affected Territory:	The affected territory is commercial. The territory consists of one (1) existing office building. The topography is flat.
Surrounding Territory:	Surrounding territory is commercial. The Santa Clara River is immediately north of the affected territory.
Landowner:	RMRC2 LLC
Registered Voters:	Zero (0) registered voters as of July 3, 2019.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Jurisdictional Changes:	The jurisdictional changes that result from this proposal include annexation to Santa Clarita Valley Sanitation District of Los Angeles County.

Within SOI:	The affected territory is within the Santa Clarita Valley Sanitation District SOI.
Waiver of Public Hearing:	Pursuant to Government Code § 56662(a), the Commission may waive notice and the public hearing for the annexation, because the proposal meets all of the following criteria: the affected territory is uninhabited; no affected local agency has submitted a written demand for a hearing within ten (10) days following the mailed hearing notice; and all owners of land within the affected have given their written consent to the proposal. Staff has therefore agendized the Proposal on the Commission "Consent Item(s)" portion of the Agenda as Agenda Item 6.f.
California Environmental Quality Act (CEQA) Clearance:	The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines § 15319 (a) because the annexation consists of existing structures developed to the density allowed by the current zoning. A Categorical Exemption was adopted by the Santa Clarita Valley Sanitation District of Los Angeles County as lead agency, on May 17, 2021.
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 April 14, 2022. In conjunction with the issuance of the COF, the Executive Officer set the date of consideration as Wednesday, May 11, 2022.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668:

a. Affected population, territory and adjacent areas:

The existing population is zero (0) residents as of July 3, 2019.

The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is zero (0) residents (no anticipated change).

The affected territory is 3.83+/- acres. The affected territory is commercial. The territory consists of one (1) existing office building.

The assessed valuation is \$902,234 as of July 3, 2019.

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

On February 15, 2022, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution.

The topography of the affected territory is flat.

The Santa Clara River is immediately north of the affected territory.

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

The affected territory is surrounded by populated areas on all sides.

The affected territory is not 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 includes one (1) office building which requires organized governmental services.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, there is no other sewer service alternative. The Los Angeles County Department of Public Health prohibits the installation, alteration, or repair of any on-site wastewater treatment systems for any building for which connection to a public sewer system is available within 200 feet. Due to the proposed land uses within the annexation area and its proximity to existing sewer infrastructure, public sewer service is the only viable alternative for development to occur. The cost of sewage disposal by the District is relatively preferable since the annexation is relatively close to an existing public sewer system. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

c. *Proposed Action 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 of the local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

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

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

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

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined by Government Code § 56016. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2016-2017 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.

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

g. *Regional Transportation Plan:*

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The closest highway in the RTP/SCS is the Antelope Valley Freeway, which is approximately 16,000 feet from the affected territory.

h. *Consistency with Plans:*

The proposal is consistent with the existing City's General Plan designation of Business Park (BP).

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

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

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the Santa Clarita Valley Sanitation District of Los Angeles County.

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:*

Although the affected territory is not currently served by the District, the area was included in the future service area that might be served by the District in its Sewer Facilities Plan. The District's future wastewater management needs were addressed in the 2015 Santa Clarita Joint Sewerage System Facilities Plan and Environmental Impact Report (EIR).

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Santa Clarita Valley Water Agency which is the local water purveyor.

m. Regional Housing Needs:

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

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations

The proposal is consistent with the existing City's General Plan designation of Business Park (BP).

The proposal is consistent with the existing City's zoning designation of Business Park (BP).

p. Environmental Justice:

The owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal makes no representations on exclusions of peoples of any race, culture, income and/or national origins with respect to the location of public facilities and public services, to ensure a healthy environment for all people such that the effects of the pollution are not disproportionately borne by any particular populations or communities.

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

q. Hazard Mitigation Plan:

The City of Santa Clarita All-Hazard Mitigation Plan (approved October 2, 2021) establishes the City's emergency policies and procedures in the event of a disaster and addresses allocation of resources and protection of the public in the event of an emergency.

The Safety Element of the General Plan for the City of Santa Clarita (approved June 2011) addresses reduction of the potential risk of death, injuries, and economic damages resulting from natural and man-made hazards.

The affected territory is not within a Very High Fire Hazard Zone pursuant to maps published by the California Department of Forestry and Fire Protection (Cal Fire). The affected territory is not within the maps that identify State Responsibility Area. The affected territory is within the area subject to both the City of Santa Clarita All-Hazard Mitigation Plan and the Safety Element of the General Plan which includes information relating to mitigation and management of wildfire and fire hazard severity zones.

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

a) District Annexation or City Detachment:

The proposed action involves a district annexation.

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

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

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

The proposed action does not involve a city detachment.

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

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

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

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

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

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

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

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

The proposed action does not impact the regional growth goals and policies of the RTP or SCS.

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

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319 (a) because the annexation consists of existing structures developed to the

density allowed by the current zoning. In addition, there are no cumulative impacts, unusual circumstances, nor other exceptions 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 § 56662(a), the Commission may make determinations upon the proposed annexation 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 § 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 annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the Santa Clarita Valley Sanitation District of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

RECOMMENDED ACTION:

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County.

**RESOLUTION NO. 2022-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 1102 TO THE SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY"**

WHEREAS, the Santa Clarita Valley Sanitation District (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with § 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Santa Clarita (City); and

WHEREAS, the proposed annexation consists of approximately 3.83± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County"; and

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

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal service for one (1) existing office building; 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 annexation ("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 § 56662; and

WHEREAS, the Executive Officer set the item for consideration for May 11, 2022 at 8:30 a.m., at the Commission's virtual meeting held by teleconference and web access pursuant to the provisions of Government Code Section § 54953 relative to virtual meetings, as well as the County of Los Angeles "Best Practices to Prevent COVID-19"; and

WHEREAS, on May 11, 2022, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, with respect to Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County, finds that the annexation is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319(a), because it consists of areas containing existing structures developed to the density allowed by the current zoning. 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 § 56662(a), the Commission hereby finds and determines that:
 - a. The territory encompassed by the annexation is uninhabited; and
 - b. Pursuant to Government Code §§ 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 annexation, 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 annexation 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 § 56662 (a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. 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.
- 4. The affected territory consists of 3.83± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 1102 to the Santa Clarita Valley Sanitation District of the Los Angeles County".

- 5. Annexation No. 1102 to the Santa Clarita Valley Sanitation District of Los Angeles County is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- b. The effective date of the annexation shall be the date of recordation of the Certificate of Completion with the Los Angeles County Registrar-Recorder/County Clerk.

- c. Recordation of the Certificate of Completion shall not occur prior to the conclusion of the 30-day reconsideration period provided under Government Code § 56895.
- d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this change of organization/reorganization, will result in the change of organization/reorganization being terminated pursuant to Government Code §57001 unless, prior to expiration of that year, the Commission authorizes an extension of time for that completion.
- e. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
- f. The regular County assessment roll shall be utilized by the District.
- g. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
- h. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
- i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County

Clerk, and the State of California Board of Equalization. If LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.

- j. Except to the extent in conflict with "a" through "i", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code § 57325) shall apply to this annexation.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the Santa Clarita Valley Sanitation District of Los Angeles County.
7. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code § 56882.
8. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code § 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code § 57200, *et seq.*
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.

PASSED AND ADOPTED this 11th day of May 2022.

MOTION:

SECOND:

AYES:

NOES:

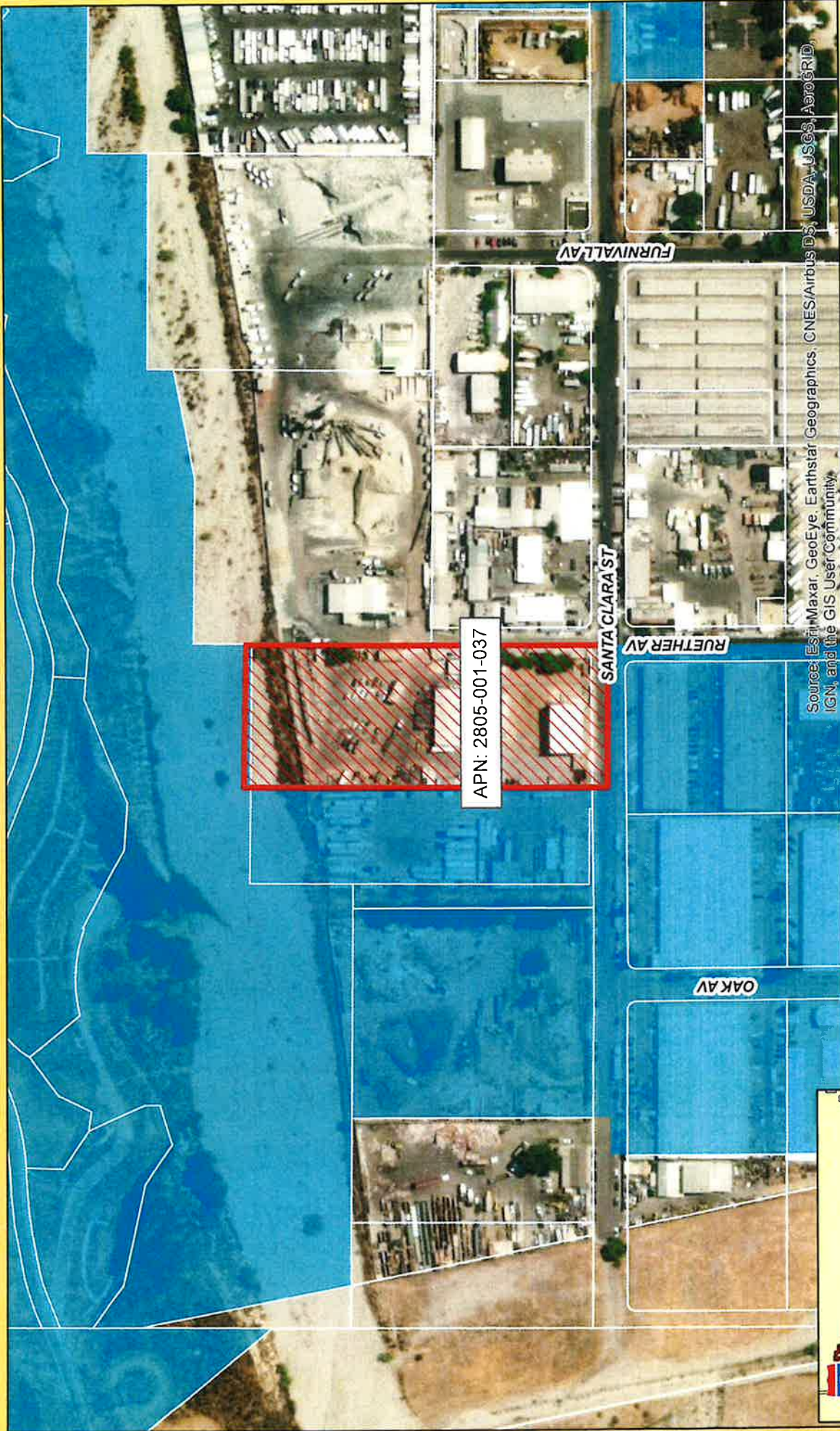
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0





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

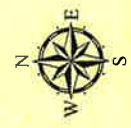
**Paul A. Novak, AICP
Executive Officer**



Annexation No. 1102 to the Santa Clara Valley Sanitation District of Los Angeles County

Legend

-  SCV-1102
-  Santa Clara Valley Sanitation District of Los Angeles County
-  City of Santa Clara
-  Sphere of Influence, CSD SCV



LAFCO
Local Agency Formation Commission
for the County of Los Angeles



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

Staff Report

May 11, 2022

Agenda Item No. 6.g.

As-Needed Alternate Legal Counsel

AT your March 9th Meeting, the Commission directed staff to negotiate contract extensions with three law firms to continue serving in the capacity of As-Needed Alternate Legal Counsel to LAFCO. Representatives of Best Best & Krieger, Nossaman LLP, and Sloane Sakai Yeung and Wong LLP have agreed to 3-year extensions at a billing rate not to exceed \$350 per hour. Copies of the proposed contract amendments are enclosed.

Recommended Action:

1. Authorize the Executive Officer to execute contract amendments, for a new term of three years, with the law firms of Best Best & Krieger, Nossaman LLP, and Sloane Sakai Yeung and Wong LLP.

THIRD AMENDMENT

TO THE JUNE 13, 2013 AGREEMENT BY AND BETWEEN
THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES ("LAFCO" OR "COMMISSION")

AND

NOSSAMAN LLP

FOR

PROFESSIONAL LEGAL SERVICES

Section I is hereby amended to add the language shown in bold below and to delete the language stricken, to extend the Agreement term, as follows:

I. Term and Termination

A. Term of Agreement

This Agreement shall begin on the date set forth on the cover page hereto and shall continue for a period of three years, unless the Agreement is terminated or extended prior to the expiration date, or the term of the Agreement is automatically extended as provided for immediately below. With respect to any services that have been authorized in writing by LAFCO on a matter or case before the expiration date of the Agreement, the term of the Agreement shall be automatically extended until all, services on such matter or case have been completed by Nossaman LLP and accepted by LAFCO. LAFCO does not guarantee or promise that any work will be assigned to the Nossaman LLP under this Agreement. Nossaman LLP shall only be authorized to perform services under this Agreement when and if LAFCO issues a specific written authorization to proceed on a particular case or matter. LAFCO will identify all assigned cases and matters on the List of Cases/Matters assigned to Nossaman LLP in the format of Exhibit A. This Agreement does not create any exclusive arrangement between LAFCO and Nossaman LLP, and nothing in this Agreement will restrict LAFCO from obtaining similar services from other firms and sources.

1. Extension

This Agreement is hereby extended and shall continue for a period of three years, until ~~June 13, 2022~~ **May 11, 2025** unless the Agreement is terminated or extended prior to the expiration date.

Section IV is hereby amended to add the language shown in bold, as follows:

A. Fees.

1. FIRM shall provide legal services at the hourly billing rates for attorneys and paralegals listed in Exhibit F to this AGREEMENT, **which shall not exceed three hundred fifty dollars (\$350.00) per hour for supervising attorneys/partners.**

Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed below by the parties as of May 11, 2022

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES

By _____
Paul A. Novak, AICP
Executive Officer

NOSSAMAN LLP

By _____

THIRD AMENDMENT

TO THE JUNE 13, 2013 AGREEMENT BY AND BETWEEN
THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES ("LAFCO" OR "COMMISSION")

AND

BEST BEST & KRIEGER

FOR

PROFESSIONAL LEGAL SERVICES

Section I is hereby amended as follows:

I. Term and Termination

A. Term of Agreement

This Agreement shall begin on the date set forth on the cover page hereto and shall continue for a period of three years, unless the Agreement is terminated or extended prior to the expiration date, or the term of the Agreement is automatically extended as provided for immediately below. With respect to any services that have been authorized in writing by LAFCO on a matter or case before the expiration date of the Agreement, the term of the Agreement shall be automatically extended until all, services on such matter or case have been completed by Best Best & Krieger and accepted by LAFCO. LAFCO does not guarantee or promise that any work will be assigned to the Best Best & Krieger under this Agreement. Best Best & Krieger shall only be authorized to perform services under this Agreement when and if LAFCO issues a specific written authorization to proceed on a particular case or matter. LAFCO will identify all assigned cases and matters on the List of Cases/Matters assigned to Best Best & Krieger in the format of Exhibit A. This Agreement does not create any exclusive arrangement between LAFCO and Best Best & Krieger, and nothing in this Agreement will restrict LAFCO from obtaining similar services from other firms and sources.

1. Extension

2. This Agreement is hereby extended and shall continue for a period of three years, until ~~June 13, 2022~~ **May 11, 2025** unless the Agreement is terminated or extended prior to the expiration date.

Section IV is hereby amended as follows:

A. Fees.

2. FIRM shall provide legal services at the hourly billing rates for attorneys and paralegals listed in Exhibit F to this AGREEMENT, **which shall not exceed three hundred fifty dollars (\$350.00) per hour for supervising attorneys/partners.**

Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed below by the parties as of May 11, 2022

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES

By _____
Paul A. Novak, AICP
Executive Officer

BEST BEST & KRIEGER

By _____

THIRD AMENDMENT

TO THE JUNE 13, 2013 AGREEMENT BY AND BETWEEN
THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES ("LAFCO" OR "COMMISSION")

AND

SLOAN SAKAI YEUNG AND WONG LLP

FOR

PROFESSIONAL LEGAL SERVICES

Section I is hereby amended as follows:

I. Term and Termination

A. Term of Agreement

This Agreement shall begin on the date set forth on the cover page hereto and shall continue for a period of three years, unless the Agreement is terminated or extended prior to the expiration date, or the term of the Agreement is automatically extended as provided for immediately below. With respect to any services that have been authorized in writing by LAFCO on a matter or case before the expiration date of the Agreement, the term of the Agreement shall be automatically extended until all, services on such matter or case have been completed by Sloan Sakai Yeung and Wong LLP and accepted by LAFCO. LAFCO does not guarantee or promise that any work will be assigned to the Sloan Sakai Yeung and Wong LLP under this Agreement. Sloan Sakai Yeung and Wong LLP shall only be authorized to perform services under this Agreement when and if LAFCO issues a specific written authorization to proceed on a particular case or matter. LAFCO will identify all assigned cases and matters on the List of Cases/Matters assigned to Sloan Sakai Yeung and Wong LLP in the format of Exhibit A. This Agreement does not create any exclusive arrangement between LAFCO and Sloan Sakai Yeung and Wong LLP, and nothing in this Agreement will restrict LAFCO from obtaining similar services from other firms and sources.

1. Extension

2. This Agreement is hereby extended and shall continue for a period of three years, until ~~June 13, 2022~~ **May 11, 2025** unless the Agreement is terminated or extended prior to the expiration date.

Section IV is hereby amended as follows:

A. Fees.

3. FIRM shall provide legal services at the hourly billing rates for attorneys and paralegals listed in Exhibit F to this AGREEMENT, **which shall not exceed three hundred fifty dollars (\$350.00) per hour for supervising attorneys/partners.**

Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed below by the parties as of May 11, 2022

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF
LOS ANGELES

By _____
Paul A. Novak, AICP
Executive Officer

SLOAN SAKAI YEUNG AND WONG LLP

By _____

Staff Report

May 11, 2022

Agenda Item No. 7.a.

Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County

PROPOSAL SUMMARY:

Size of Affected Territory:	9.573± acres
Inhabited/Uninhabited:	Uninhabited
Applicant:	County Sanitation District No. 15 of Los Angeles County (District)
Resolution:	September 23, 2020
Application Filed with LAFCO:	October 5, 2020
Certificate of Filing:	April 14, 2022
Location:	The affected territory is located on Palm Hill Lane approximately 500 feet north of Deodar Lane.
City/County:	City of Bradbury
Affected Territory:	The territory consists of one (1) single-family home and one (1) semi-developed single-family home. The topography is flat.
Surrounding Territory:	Surrounding territory is residential.
Landowners:	Palm Hill Lane 8582 LLC Shreya Shraddha Investments LLC
Registered Voters:	Zero (0) registered voters as of May 30, 2019.
Purpose/Background:	For the District to provide off-site sewage disposal service.
Jurisdictional Changes:	The jurisdictional changes that result from this proposal include annexation to the County Sanitation District No. 15 of Los Angeles County.

Within SOI:	The affected territory is within the County Sanitation District No. 15 SOI.
Public Hearing:	Pursuant to Government Code § 56658(h), and upon issuing a Certificate of Filing, the Executive Officer set the proposal for public hearing and gave published notice thereof, within the required ninety (90) days.
Waiver of Protest Hearing:	Pursuant to Government Code §§ 56662 & 56663, the Commission may waive protest proceedings that would otherwise be required if all of the criteria therein have occurred.
California Environmental Quality Act (CEQA) Clearance:	The proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines § 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning, and 15319(b) because it is an annexation of small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.
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 April 14, 2022. In conjunction with the issuance of the COF, the Executive Officer set the public hearing date as Wednesday, May 11, 2022.

FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE § 56668:

a. Affected population, territory and adjacent areas:

The existing population is zero (0) residents as of May 30, 2019.

The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is five (5) residents.

The affected territory is 9.573+/- acres. The territory consists of one (1) single-family home and one (1) semi-developed single-family home.

The assessed valuation is \$6,719,194 as of September 24, 2020.

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

On February 15, 2022, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a corresponding property tax transfer resolution.

The topography of the affected territory is flat.

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

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

The affected territory is surrounded by populated areas on all sides.

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 includes one (1) single-family home and one (1) semi-developed single-family home which requires organized governmental services.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, there is no other sewer service alternative. The Los Angeles County Department of Public Health prohibits the installation, alteration, or repair of any on-site wastewater treatment systems for any building for which connection to a public sewer system is available within 200 feet. Due to the proposed land uses within the annexation area and its proximity to existing sewer infrastructure, public sewer service is the only viable alternative for development to occur. The cost of sewage disposal by the District is relatively preferable since the annexation is relatively close to an existing public sewer system. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

c. *Proposed Action 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 of the local government structure of the County. There is no alternative to public sewage disposal. Service by the District is considered more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

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

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

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

e. *Agricultural Lands:*

There are no effects on agricultural lands, as defined by Government Code § 56016. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2016-2017 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.

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

g. *Regional Transportation Plan:*

The Southern California Associated Governments (SCAG) adopted its 2020-2045 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to Government Code § 65080. The closest highway to the annexation is part of the RTP and SCS's State Highway improved program. The closest highway in the RTP/SCS is the Interstate 210 Freeway, which is approximately 6,000 feet south from the affected territory.

h. *Consistency with Plans:*

The proposal is consistent with the existing City's General Plan designation of Agriculture/Estate.

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

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

i. *Sphere of Influence:*

The affected territory is within the Sphere of Influence of the County Sanitation District No. 15 of Los Angeles County.

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:*

Although the affected territory is not currently served by the District, the area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan.

l. *Timely Availability of Water Supplies:*

There are no known issues regarding water supply or delivery. The affected territory is within the boundaries of the Cal-American Water Company which is the local water purveyor.

m. Regional Housing Needs:

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

n. Comments from Landowners, Voters, or Residents:

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

o. Land Use Designations

The proposal is consistent with the existing City's General Plan designation of Agriculture/Estate.

The proposal is consistent with the existing City's zoning designation of Agricultural Residential Estate (A-5 Bradbury).

p. Environmental Justice:

Owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal makes no representations on exclusions of peoples of any race, culture, income and/or national origins with respect to the location of public facilities and public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

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

q. Hazard Mitigation Plan:

The City of Bradbury Hazard Mitigation Plan (approved February 19, 2019) establishes the City's emergency policies and procedures in the event of a disaster and addresses allocation of resources and protection of the public in the event of an emergency.

The Safety Element of the General Plan for the City of Bradbury (approved February 2014) addresses reduction of the potential risk of death, injuries, and economic damages resulting from natural and man-made hazards.

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

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

a) District Annexation or City Detachment:

The proposed action involves a district annexation.

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

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

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

The proposed action does not involve a city detachment.

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

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

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

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

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

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

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

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

The proposed action does not impact the regional growth goals and policies of the RTP or SCS.

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

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319(a) because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning, and 15319(b) because it is an annexation

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

PUBLIC HEARING NOTICE:

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

Newspaper Notice: LAFCO is required to provide notice of the public hearing “in one or more newspapers of general circulation within each affected county, affected city, or affected district,” pursuant to Government Code § 56153, and notice “shall be commenced at least 21 days prior to the date specified in the notice for the public hearing,” pursuant to Government Code § 56154. LAFCO published a hearing notice in the Daily Commerce on April 19, 2022.

All requirements for the public hearing notice have been satisfied.

WAIVER OF PROTEST PROCEEDINGS:

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

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

CONCLUSION:

Staff recommends approval of the proposal as a logical and reasonable extension of the County Sanitation District No. 15 of Los Angeles County which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

RECOMMENDED ACTION:

1. Open the public hearing and receive testimony on the annexation;
2. There being no further testimony, close the public hearing; and
3. There being no written opposition submitted by the landowners or registered voters within the affected territory before the conclusion of this hearing on the proposal, waive the protest proceedings pursuant to Government Code § 56663 and Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County.

**RESOLUTION NO. 2022-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS APPROVING AND ORDERING
"ANNEXATION NO. 300 TO THE COUNTY SANITATION DISTRICT NO. 15
OF LOS ANGELES COUNTY"**

WHEREAS, the County Sanitation District No. 15 of Los Angeles County (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with § 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Bradbury (City); and

WHEREAS, the proposed annexation consists of approximately 9.573± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County"; and

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

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal to one (1) existing single-family home and one (1) semi-developed single-family home; and

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

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to Government Code §§ 56150-56160, 57025, and 57026, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on April 19, 2022, which is at least 21 days prior to the public hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

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

WHEREAS, on May 11, 2022, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral and written testimony, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of accepting any written opposition to the proposal and either, waive protest proceedings entirely, pursuant to Government Code § 56663, if no written opposition was received, or pursuant to Government Code § 57002, set the protest hearing to the following LAFCO hearing.

WHEREAS, the Commission, having not received written opposition to the proposal from landowners or registered voters before the conclusion of the proceeding/hearing hereby waives protest proceedings pursuant to Government Code Section § 56663.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, with respect to Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County, finds that the annexation is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines § 15319(a), because the annexation consists of areas containing existing structures developed to the density allowed by the current zoning, and 15319(b) because it is an annexation of 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 exceptions that would make the exemption inapplicable based on the proposal records.
2. The Commission finds the number of written opposition filed by landowners and registered voters is ____.
3. Mailed notice has been provided pursuant to Government Code § 56663 on April 14, 2022.
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 9.573± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County".

6. Annexation No. 300 to the County Sanitation District No. 15 of Los Angeles County is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- b. The effective date of the annexation shall be the date of recordation of the Certificate of Completion with the Los Angeles County Registrar-Recorder/County Clerk.
- c. Recordation of the Certificate of Completion shall not occur prior to the conclusion of the 30-day reconsideration period provided under Government Code § 56895.
- d. All fees due to LAFCO, the County of Los Angeles (including, but not limited to, fees owed to the County Assessor and/or the Registrar-Recorder/County Clerk), and the State of California Board of Equalization; shall be paid by the Applicant, in full, prior to LAFCO's filing the Certificate of Completion. Failure to pay any and all fees due to LAFCO, the County of Los Angeles, and the State Board of Equalization, within one year of the Commission approval of this change of

organization/reorganization, will result in the change of organization/reorganization being terminated pursuant to Government Code §57001 unless, prior to expiration of that year, the Commission authorizes an extension of time for that completion.

- e. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
- f. The regular County assessment roll shall be utilized by the District.
- g. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
- h. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
- i. The map and geographic description of the affected territory shall comply with all requirements of LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and the State of California Board of Equalization. If LAFCO, the Los Angeles County Registrar-Recorder/County Clerk, and/or the State of California Board of Equalization require changes, the map and geographic description shall be revised and all associated costs shall be the responsibility of the applicant.
- j. Except to the extent in conflict with "a" through "i", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code § 57325) shall apply to this annexation.

7. Pursuant to Government Code § 56663, the Commission finds that all the following have occurred: 1) mailed notice pursuant to Government Code § 56157 has been given to landowners and registered voters within the affected territory; 2) the mailed notice discloses the potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the City and/or District in the affected territory; 3) the mailed notice discloses that unless written opposition to the proposal is received before the conclusion of the Commission proceeding on the proposal, the Commission intends to waive protest proceedings; and 4) no written opposition to the proposal from landowners or registered voters before the conclusion of the Resolution No. 2020-00RMD Page 6 of 6 proceeding/hearing. Therefore, pursuant to Government Code § 56663, the Commission hereby waives protest proceedings.
8. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the County Sanitation District No. 15 of Los Angeles County.
9. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code § 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code § 57200, *et seq.*
10. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

PASSED AND ADOPTED this 11th day of May 2022.

MOTION:

SECOND:

AYES:

NOES:

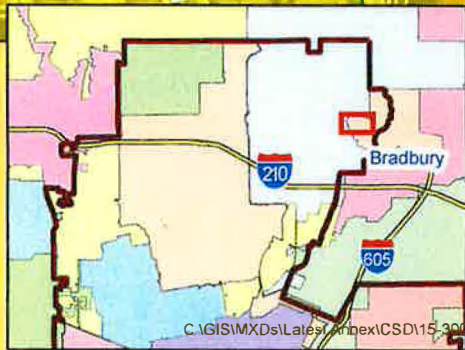
ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

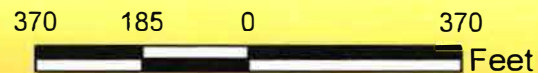
**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

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







May 11, 2022

Annexation No. 300 to County Sanitation District No. 15



Legend

-  15-300
-  Los Angeles County Sanitation District 15 Boundary
-  City of Bradbury
-  Sphere of Influence, CSD 15

Staff Report

May 11, 2022

Agenda Item No. 9.a.

Other Post-Employment Benefits Actuarial Study as of June of 30, 2021

In March of 2020, the Commission directed staff to undergo a formal bidding process and select an actuarial firm to perform an Alternative Measurement Method (AMM) actuarial valuation report to determine the Commission's financial liability and ongoing annual costs for Other Post-Employment Benefits (OPEB) as of June 30, 2019.

Consistent with the Commission's Procurement Policy, staff selected Total Compensation Solutions (TCS) to prepare its OPEB Actuarial Study. TCS prepared an actuarial study with a valuation date as of June 30, 2019. Subsequently, the study was presented to the Commission May 12, 2021, reporting a Total OPEB Liability (TOL) of \$790,194 as of June 30, 2019.

To accomplish the Commission's budget allocation goals for the current fiscal year and transfer \$200,000 to its CERBT fund, an updated actuarial report is required. As such, staff executed a contract with TCS, consistent with the Commission's Procurement Policy for a full actuarial valuation report with a measurement date of June 30, 2021.

TCS prepared the accompanying actuarial study, showing an increase in the Commission's Total OPEB Liability (TOL) from \$790,194 as of June 30, 2019, to \$842,648 as of June 30, 2021. The increase is attributable to a decrease in the discount rate and changes in assumptions (inclusive of economic and demographic assumptions). As referenced in the study, *the discount rate is the assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.* The Commission's OPEB investments are currently held in the California Employee Retirement Benefit Trust (CERBT) fund. As of the March 31, 2021, CERBT quarterly statement, the Commission's CERBT fund balance was \$464,702 providing funding for 55% of LAFCO's TOL.

The Actuarial Study is a component of the Commission's Audited Financial Statements and affects the Commission's overall net position. At this time, the Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date of June 30, 2021, is being provided to the Commission for its consideration.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the enclosed "Local Agency Formation Commission for the County of Los Angeles Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date: June 30, 2021".

**Local Agency Formation Commission for the
County of Los Angeles
Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Valuation Date: June 30, 2021
Measurement Date: June 30, 2021
For Fiscal Year-End: June 30, 2022**

*Prepared by:
Total Compensation Systems, Inc.*

Date: April 14, 2022

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Local Agency Formation Commission for the County of Los Angeles
Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

This report was produced by Total Compensation Systems, Inc. for the Local Agency Formation Commission for the County of Los Angeles to determine the liabilities associated with its current retiree health program as of a June 30, 2021 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2022. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2022 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2022 measurement date is provided on page 13.

B. Key Results

LAFCO uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2021 will be used on a look back basis for the June 30, 2022 Fiscal Year-End.

Key Results	Current Year	Prior Year
	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$842,648	\$850,234
Fiduciary Net Position (FNP)	\$470,630	\$226,255
Net OPEB Liability (NOL)	\$372,018	\$623,979
Service Cost (for year following)	\$33,504	\$31,731
Estimated Pay-as-you-go Amount (for year following)	\$19,946	\$26,434
GASB 75 OPEB Expense (for year ending)	\$8,591	\$24,103

Refer to results section beginning on page 10 or the glossary on page 26 for descriptions of the above items.

Key Assumptions	Current Year	Prior Year
	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>
Valuation Interest Rate	6.75%	7.00%
Expected Rate of Return on Assets	6.75%	7.00%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	3.25%

Total Compensation Systems, Inc.

C. Summary of GASB 75 Accounting Results

1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2020 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2021 NOL. A more detailed version of this table can be found on page 12.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2020 Measurement Date	\$850,234	\$226,255	\$623,979
Service Cost	\$31,731	\$0	\$31,731
Interest on TOL / Return on FNP	\$59,702	\$44,457	\$15,245
Employer Contributions	\$0	\$226,055	(\$226,055)
Benefit Payments	(\$26,055)	(\$26,055)	\$0
Administrative Expenses	\$0	(\$82)	\$82
Experience (Gains)/Losses	(\$105,617)	\$0	(\$105,617)
Changes in Assumptions	\$32,653	\$0	\$32,653
Other	\$0	\$0	\$0
Net Change	(\$7,586)	\$244,375	(\$251,961)
Actual Balance at June 30, 2021 Measurement Date	\$842,648	\$470,630	\$372,018

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 23.

Balances at June 30, 2022 Fiscal Year-End	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$63,045	(\$97,044)
Changes in assumptions	\$28,811	(\$315,664)
Differences between projected and actual return on assets	\$2,046	(\$19,043)
Total	\$93,902	(\$431,751)

To be recognized fiscal year ending June 30:	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
2023	\$15,965	(\$76,054)
2024	\$15,965	(\$76,051)
2025	\$15,962	(\$75,764)
2026	\$15,282	(\$75,761)
2027	\$13,210	(\$58,367)
Thereafter	\$17,518	(\$69,754)
Total	\$93,902	(\$431,751)

Total Compensation Systems, Inc.

3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

To be recognized fiscal year ending June 30, 2022	<i>Expense Component</i>
Service Cost	\$31,731
Interest Cost	\$59,702
Expected Return on Assets	(\$22,835)
Administrative Expenses	\$82
Recognition of Experience (Gain)/Loss Deferrals	(\$1,545)
Recognition of Assumption Change Deferrals	(\$54,335)
Recognition of Investment (Gain)/Loss Deferrals	(\$4,209)
Employee Contributions	\$0
Changes in Benefit Terms	\$0
Net OPEB Expense for fiscal year ending June 30, 2022	\$8,591

4. Adjustments

The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2021 to June 30, 2022 minus prior contributions after the measurement date of \$226,055 should also be reflected in OPEB expense. June 30, 2022 deferred outflows should include contributions from July 1, 2021 to June 30, 2022.

5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2021 Measurement Date	<i>Discount Rate</i>	<i>Healthcare Trend Rate</i>
1% Decrease in Assumption	\$521,321	\$223,887
Current Assumption	\$372,018	\$372,018
1% Increase in Assumption	\$250,994	\$564,513

Total Compensation Systems, Inc.

D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	<i>Hired Before June 30, 2014</i>	<i>Hired After June 30, 2014</i>
Benefit types provided***	Medical, Dental, Vision, & \$5,000 death benefit	Medical, Dental, Vision, & \$5,000 death benefit
Duration of Benefits	Lifetime	Lifetime
Required Service	Varies by plan*	Varies by plan*
Minimum Age	Varies by plan*	Varies by plan*
Dependent Coverage	Yes	Self-paid
Commission	Varies by service**	Varies by service**
Contribution %		
Commission Cap	Pro-rated benchmark plan**	Pro-rated benchmark plan**

*Plan A-D eligibility: Age 50 with 10 years of commission service or any age with 30 years of commission service or age 70 regardless of service.

Plan E eligibility: Age 55 with 10 years of commission service

Plan G eligibility: Age 52 with 5 years of commission service

**LAFCO contributes 40% of the lesser of the benchmark plan and the elected plan at 10 years of service, plus 4% per additional year of service up to 100% at 25 years of service. Participants reaching Medicare age also receive a contribution for Medicare Part B premiums.

***Employees hired prior to January 1, 2013 fall under LACERA's Plan D. Employees hired after January 1, 2013 fall under Plan G. Those who were hired by LAFCO from a retirement system with a reciprocity agreement will be eligible for eligible for OPEB benefits under Plan D if they entered the prior retirement system prior to 2013. All employees and retirees currently fall under Plan D.

This valuation does not reflect any cash benefits paid unless the cash benefits are limited to be used for or reimburse the retiree's cost of health benefits and TCS was made aware of the existence of such cash benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under applicable Governmental Accounting Standards Board (GASB) Standards.

E. Summary of Valuation Data

This report is based on census data provided to us as of June, 2021. Distributions of participants by age and service can be found on page 17. For non-lifetime benefits, the active count below excludes employees for whom it is not possible to receive retiree benefits (e.g. employees who are already older than the maximum age to which benefits are payable or who will not accrue the required service prior to reaching the maximum age).

	Current Year	Prior Year
	<i>June 30, 2021 Valuation Date</i>	<i>June 30, 2019 Valuation Date</i>
	<i>June 30, 2021 Measurement Date</i>	<i>June 30, 2020 Measurement Date</i>
Active Employees eligible for future benefits		
Count	6	6
Average Age	46.3	44.3
Average Years of Service	13.5	11.5
Retirees currently receiving benefits		
Count	3	4
Average Age	71.0	71.3

We were not provided with information about any terminated, vested employees.

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F. Certification

The actuarial information in this report is intended solely to assist LAFCO in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of LAFCO. Release of this report may be subject to provisions of the Agreement between LAFCO and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2021 to June 30, 2022, using a measurement date of June 30, 2021. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by LAFCO. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the Commission personnel records.
- We used relevant sections of collective bargaining agreements provided by the Commission.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of LAFCO and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all

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applicable Actuarial Standards of Practice. I meet the Qualifications Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in blue ink, reading "Luis Murillo". The signature is written in a cursive style with a large initial "L" and "M".

Luis Murillo, ASA, MAAA
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by LAFCO. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent LAFCO uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2021 at 6.75% interest.

For any **current retirees**, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2021 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

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C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method” and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The ***“trend” rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on Commission contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- ***Mortality rates*** varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.
- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.

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F. Valuation Results

This section details the measured values of the concepts described on the previous pages.

1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

Actuarial Present Value of Projected Benefit Payments as of June 30, 2021 Valuation Date

	<i><u>Total</u></i>
Active: Pre-65 Benefit	\$223,422
Post-65 Benefit	\$733,405
Subtotal	\$956,827
Retiree: Pre-65 Benefit	\$45,423
Post-65 Benefit	\$208,208
Subtotal	\$253,631
Grand Total	\$1,210,458
Subtotal Pre-65 Benefit	\$268,845
Subtotal Post-65 Benefit	\$941,613

2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Valuation Year Beginning July 1, 2021

	<i><u>Total</u></i>
# of Eligible Employees	6
First Year Service Cost	
Pre-65 Benefit	\$7,680
Post-65 Benefit	\$25,824
Total	\$33,504

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

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3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the Commission will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

Total OPEB Liability and Net OPEB Liability as of June 30, 2021 Valuation Date

	<i>Total</i>
Active: Pre-65 Benefit	\$135,149
Active: Post-65 Benefit	\$453,868
Subtotal	\$589,017
Retiree: Pre-65 Benefit	\$45,423
Retiree: Post-65 Benefit	\$208,208
Subtotal	\$253,631
Subtotal: Pre-65 Benefit	\$180,572
Subtotal: Post-65 Benefit	\$662,076
Total OPEB Liability (TOL)	\$842,648
Fiduciary Net Position as of June 30, 2021	\$470,630
Net OPEB Liability (NOL)	\$372,018

4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the Commission's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the Commission's share of retiree health costs.

<i>Year Beginning July 1</i>	<i>Total</i>
2021	\$19,946
2022	\$20,305
2023	\$21,403
2024	\$22,684
2025	\$25,305
2026	\$26,835
2027	\$29,946
2028	\$34,222
2029	\$34,294
2030	\$39,429

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G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2020 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2021 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2020	\$850,234	\$226,255	\$623,979
Service Cost	\$31,731	\$0	\$31,731
Interest on Total OPEB Liability	\$59,702	\$0	\$59,702
Expected Investment Income	\$0	\$22,835	(\$22,835)
Administrative Expenses	\$0	(\$82)	\$82
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$200,000	(\$200,000)
Employer Contributions as Benefit Payments	\$0	\$26,055	(\$26,055)
Actual Benefit Payments from Trust	\$0	\$0	\$0
Actual Benefit Payments from Employer	(\$26,055)	(\$26,055)	\$0
Expected Minus Actual Benefit Payments**	(\$379)	\$0	(\$379)
Expected Balance at June 30, 2021	\$915,233	\$449,008	\$466,225
Experience (Gains)/Losses	(\$105,238)	\$0	(\$105,238)
Changes in Assumptions	\$32,653	\$0	\$32,653
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	\$21,622	(\$21,622)
Other	\$0	\$0	\$0
Net Change during 2021	(\$7,586)	\$244,375	(\$251,961)
Actual Balance at June 30, 2021*	\$842,648	\$470,630	\$372,018

* May include a slight rounding error.

** Deferrable as an Experience Gain or Loss.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for LAFCO is shown beginning on page 23. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2022

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	\$70,073	(\$105,617)	\$1,545	(\$33,999)
Assumption Changes	(\$373,841)	\$32,653	\$54,335	(\$286,853)
Investment (Gains)/Losses	\$416	(\$21,622)	\$4,209	(\$16,997)
Deferred Balances	(\$303,352)	(\$94,586)	\$60,089	(\$337,849)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

Preliminary OPEB Expense Fiscal Year Ending June 30, 2022

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$623,979	\$372,018	(\$251,961)
Deferred Balances	(\$303,352)	(\$337,849)	(\$34,497)
Net Position	\$927,331	\$709,867	(\$217,464)
Adjust Out Employer Contributions			\$226,055
OPEB Expense			\$8,591

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H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined “roll-forward” valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer considers or puts in place an early retirement incentive program.
- The employer desires the measured liability to incorporate more recent census data or assumptions.

We anticipate that the next valuation we perform for LAFCO will be a roll-forward valuation with a measurement date of June 30, 2022 which will be used for the fiscal year ending June 30, 2023. Please let us know if LAFCO would like to discuss whether another full valuation would be preferable based on any of the examples listed above.

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The Commission should carefully review these assumptions and methods to make sure they reflect the Commission's assessment of its underlying experience. It is important for LAFCO to understand that the appropriateness of all selected actuarial assumptions and methods are LAFCO's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, LAFCO's actual historical experience, and TCS's judgment based on experience and training.

A. ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by LAFCO regarding practices with respect to employer and employee contributions and other relevant factors.

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B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.50% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 6.75% per year net of expenses. This is based on assumed long-term return on employer assets. We used the “Building Block Method”. (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by LAFCO.

Fiduciary Net Position as of June 30, 2021

	<i><u>06/30/2020</u></i>	<i><u>06/30/2021</u></i>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$226,255	\$470,630
Capital Assets	\$0	\$0
Total Assets	<u>\$226,255</u>	<u>\$470,630</u>
Benefits Payable	<u>\$0</u>	<u>\$0</u>
Fiduciary Net Position	<u>\$226,255</u>	<u>\$470,630</u>

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C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

<i>Participant Type</i>	<i>Mortality Tables</i>
General Employees	Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025 Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
Miscellaneous	LACERA Retirement Plan D

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) Section 3.7.7(c)(3) provides that unadjusted premium may be used as the basis for retiree liabilities if retiree premium rates are not subsidized by active premium rates. We evaluated active and retiree rates and determined that there is not likely to be a subsidy between active and retiree rates. Therefore, retiree liabilities are based on actual employer contributions. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any Commission contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
General Employees	\$26,239	\$15,980

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Miscellaneous	90%	90%

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Miscellaneous	LACERA Turnover

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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PART IV: APPENDICES

APPENDIX A: DEMOGRAPHIC DATA BY AGE

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

	<i>Total</i>	<i>Under 5 Years of Service</i>	<i>5 – 9 Years of Service</i>	<i>10 – 14 Years of Service</i>	<i>15 – 19 Years of Service</i>	<i>20 – 24 Years of Service</i>	<i>25 – 29 Years of Service</i>	<i>30 – 34 Years of Service</i>	<i>Over 34 Years of Service</i>
Under 25	0								
25 – 29	0								
30 – 34	0								
35 – 39	1				1				
40 – 44	2	1	1						
45 – 49	2				2				
50 – 54	0								
55 – 59	1			1					
60 – 64	0								
65 and older	0								
Total	6	1	1	1	3	0	0	0	0

ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

<i>Age</i>	<i>Total</i>
Under 50	0
50 – 54	0
55 – 59	0
60 – 64	1
65 – 69	1
70 – 74	0
75 – 79	0
80 – 84	0
85 – 89	1
90 and older	0
Total	3

APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions LAFCO should take to manage the liability created by the current retiree health program. The following items are intended only to allow the Commission to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of LAFCO's practices, it is possible that LAFCO is already complying with some or all of these suggestions.

- We suggest that LAFCO maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, LAFCO should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. LAFCO should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, LAFCO should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- LAFCO should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for Commission-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under LAFCO's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, LAFCO should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for LAFCO to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

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APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The Commission should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the Commission in complying with GASB 74/75 disclosure requirements:

Paragraph 50: Information about the OPEB Plan

Most of the information about the OPEB plan should be supplied by LAFCO. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	3
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	6
Total Number of participants	9

*We were not provided with information about any terminated, vested employees

Paragraph 51: Significant Assumptions and Other Inputs

Shown in Part III.

Paragraph 52: Information Related to Assumptions and Other Inputs

The following information is intended to assist LAFCO in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025
Disclosure	The mortality assumptions are based on the Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025.

Mortality Table	Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025
Disclosure	The mortality assumptions are based on the Society of Actuaries Pub-2010 Mortality for Retired Employees with MP-2019 Projection to 2025.

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52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	LACERA Retirement Plan D
Disclosure	The retirement assumptions are based on the Los Angeles County Employees' Retirement Association Retirement Plan D table.

Turnover Tables

Turnover Table	LACERA Turnover
Disclosure	The turnover assumptions are based on the Los Angeles County Employees' Retirement Association Turnover table.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$223,887	\$372,018	\$564,513

Paragraph 53:

Discount Rate

The following information is intended to assist LAFCO to comply with Paragraph 53 requirements.

53.a: A discount rate of 6.75% was used in the valuation. The interest rate used in the prior valuation was 7.00%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 34 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 50 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.

Total Compensation Systems, Inc.

CERBT - Strategy 2

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	40.0000	7.5450
All Fixed Income	43.0000	4.2500
Real Estate Investment Trusts	8.0000	7.2500
All Commodities	4.0000	7.5450
Treasury Inflation Protected Securities (TIPS)	5.0000	3.0000

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	\$521,321	\$372,018	\$250,994

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist LAFCO to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2021.

The measurement date is June 30, 2021.

56.b: We are not aware of a special funding arrangement.

56.c: The interest assumption changed from 7.00% to 6.75%.

56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D

56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the Commission contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

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Paragraph 58:

Actuarially Determined Contributions

We have not been asked to calculate an actuarially determined contribution amount. We assume the Commission contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years.

Paragraph 244:

Transition Option

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

Total Compensation Systems, Inc.

APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

**Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of
Experience Gains and Losses
(Measurement Periods)**

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter
2017-18	\$19,000	7.2	\$5,268	\$2,634	\$11,098	\$2,634	\$2,634	\$2,634	\$2,634	\$562	
2018-19	\$78,365	8.9	\$17,612	\$8,806	\$51,947	\$8,806	\$8,806	\$8,806	\$8,806	\$8,806	\$7,917
2019-20	(\$4,971)	8.9	(\$559)	(\$559)	(\$3,853)	(\$559)	(\$559)	(\$559)	(\$559)	(\$559)	(\$1,058)
2020-21	(\$105,617)	8.5	\$0	(\$12,426)	(\$93,191)	(\$12,426)	(\$12,426)	(\$12,426)	(\$12,426)	(\$12,426)	(\$31,061)
Net Increase (Decrease) in OPEB Expense			\$22,321	(\$1,545)	(\$33,999)	(\$1,545)	(\$1,545)	(\$1,545)	(\$1,545)	(\$3,617)	(\$24,202)

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CHANGES OF ASSUMPTIONS

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter
2017-18	(\$118,000)	7.2	(\$32,714)	(\$16,357)	(\$68,929)	(\$16,357)	(\$16,357)	(\$16,357)	(\$16,357)	(\$3,501)	
2018-19	(\$372,195)	8.9	(\$83,640)	(\$41,820)	(\$246,735)	(\$41,820)	(\$41,820)	(\$41,820)	(\$41,820)	(\$41,820)	(\$37,635)
2020-21	\$32,653	8.5	\$0	\$3,842	\$28,811	\$3,842	\$3,842	\$3,842	\$3,842	\$3,842	\$9,601
Net Increase (Decrease) in OPEB Expense			(\$116,354)	(\$54,335)	(\$286,853)	(\$54,335)	(\$54,335)	(\$54,335)	(\$54,335)	(\$41,479)	(\$28,034)

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INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter
2017-18	(\$2,000)	7.2	(\$554)	(\$277)	(\$1,169)	(\$277)	(\$277)	(\$277)	(\$277)	(\$61)	
2018-19	(\$1,447)	5	(\$580)	(\$290)	(\$577)	(\$290)	(\$287)				
2019-20	\$3,412	5	\$683	\$683	\$2,046	\$683	\$683	\$680			
2020-21	(\$21,622)	5	\$0	(\$4,325)	(\$17,297)	(\$4,325)	(\$4,325)	(\$4,325)	(\$4,322)		
Net Increase (Decrease) in OPEB Expense			(\$451)	(\$4,209)	(\$16,997)	(\$4,209)	(\$4,206)	(\$3,922)	(\$4,599)	(\$61)	\$0

APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non*-actuary understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

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<u>Pay As You Go Cost:</u>	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.

Staff Report

May 11, 2022

Agenda Item No. 9.b.

California Employees Retiree Benefit Trust (CERBT) Fund Transfer

Background: In May of 2018, the Commission selected the California Public Employees Retirement System (CalPERS)—California Employees Retiree Benefit Trust (CERBT) Fund Division as its Other Post-Employment Benefit (OPEB) Fund Administrator. At that time the Commission established a CERBT fund, which is a Section 115 trust fund dedicated to pre-fund Other Post-Employment Benefits (OPEB) for eligible California public agencies.

In June of 2018, the Commission authorized an initial transfer in the amount of \$200,000 to its CERBT fund. In June of 2020, the Commission authorized a second transfer of earmarked funds in the amount of \$200,000 to its trust fund. As of March 31, 2022, CERBT quarterly statement, the Commission's CERBT fund balance was \$464,702.

Prior to transferring additional funds into trust funds, such as CERBT, public agencies are required to prepare an OPEB valuation report or an Alternative Measurement Method (AMM) actuarial valuation report to determine the agency's financial liability and ongoing annual costs for OPEB. Transfers can be made for up to two years from the report's measurement date. Earlier this year, an Actuarial Valuation was performed for LAFCO as of June 30, 2021, allowing for the transfer of additional funds to its CERBT fund (see Agenda Item 9.a.).

At this time, staff is requesting that the Commission direct staff to transfer an additional \$200,000 to the CERBT fund, consistent with the transfer amount authorized by the Commission in its annual budget, allowing for the funding of approximately 76.5% its Total OPEB Liability (TOL).

Recommended Action:

Staff recommends that the Commission:

1. Direct staff to transfer \$200,000 to the California Employee Retirement Benefits Trust (CERBT) fund in the current fiscal year, FY 2021-22.

Staff Report

May 11, 2022

Agenda Item No. 9.c.

Outside Employment Request of Executive Officer

The Employment Agreement between the Commission and the Executive Officer requires that the Executive Officer consult with Commission counsel and secure the approval of the Commission before accepting any new outside employment

A representative of the University of California at Davis Extension (UCDE) has invited the Executive Officer to teach a virtual one-day seminar titled “Planning and Regulating the Boundaries and Service Territories of Cities and Special Districts in California” on Friday, September 23, 2022. The proposed seminar would take place outside of the Executive Officer’s work schedule at LAFCO.

Teaching the course is consistent with all of the requirements and limitations set forth in the Employment Agreement between the Commission and the Executive Officer. These include a limitation on all outside employment to a maximum of fifteen hours a week, the absence of conflict with official duties of the Executive Officer or the interests of LAFCO, the absence of any financial interest in any transaction to which LAFCO is a party, and the absence of any work which may be subject to review by LAFCO officials or employees.

LAFCO Counsel has been consulted as required, and the Executive Officer requests Commission approval.

Recommended Action:

1. Authorize the Executive Officer to accept outside employment from the University of California Davis Extension (“Planning and Regulating the Boundaries and Service Territories of Cities and Special Districts in California”) on September 23, 2022.

Staff Report
May 11, 2022

Agenda Item No. 10.a.
Legislative Update

Legislative Update:

Several bills of interest to the Commission are addressed herein, and the most up-to-date information is highlighted in **bold type**.

Bills on which the Commission has taken a position:

- **SB 938 (Hertzberg):** Senator Hertzberg introduced AB 938 on February 8, 2022. As drafted, the bill will consolidate various sections of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 addressing protest proceedings into one section of the Act, make conforming changes, and remove obsolete provisions. SB 938 is sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). On March 24, 2022, Senator Hertzberg amended the bill to change the protest threshold for a Commission-initiated dissolution of a special district, from the current ten-percent (10%) to twenty-five percent (25%), consistent with a dissolution proposal for which a proposal has been filed with LAFCO. **The Senate unanimously approved SB 938 on April 25, 2022, and the bill now moves on to the Assembly.**

Commission Position: **SUPPORT**
(Meeting of March 9, 2022)

- **AB 2449 (Rubio, Blanca):** Assemblymember Rubio introduced AB 2449 on February 17, 2022. AB 2449 is sponsored by the Three Valleys Municipal Water District (TVMWD). During the pandemic, Governor Newsom's executive orders allowed public agencies to meet virtually; public bodies continue to meet virtually pursuant to provisions of last year's AB 361, but that bill will eventually expire as pandemic restrictions ease. AB 2449 would authorize local agencies to continue to use teleconferencing, subject to requirements for notice, agenda, and the means and manners of access. **The Assembly Local Government Committee will consider AB 2449 at its May 4th Meeting.**

Commission Position: **SUPPORT**
(Meeting of March 9, 2022)

- **AB 2957 (Committee on Local Government):** Introduced on March 2, 2022, AB 2957 is the annual Omnibus Bill sponsored by CALAFCO and carried by the Assembly Local Government Committee. As introduced, the bill contains three (3) items, and CALAFCO's Legislative Committee is working to have the bill amended to include two (2) additional items (all five of which have been reviewed and approved by the CALAFCO Legislative Committee and Board of Directors). **The Assembly Local Government Committee will consider AB 2957 at its May 4th Meeting.**

Commission Position: **SUPPORT**
(Meeting of March 9, 2022)

Other Bills:

- **AB 1944 (Lee and Cristina Garcia):** This bill, introduced on February 10, 2022, would provide for members of a legislative body to participate virtually in a Brown Act meeting when they are identified in the agenda as participating in the meeting remotely. The public body would be authorized, by majority vote, to exempt themselves from the requirement that a member's teleconference location be identified and made accessible to the public when the teleconference location is not a public place; and further, that under such circumstances, the public body must provide live video streaming and make public comment available via video or phone. CALAFCO has adopted a "watch" position. **The Assembly Local Government Committee will consider AB 1944 at its May 4th Meeting.**
- **SB 852 (Dodd):** This bill, introduced on January 18, 2022, would authorize a county, city, or special district to form a "community revitalization authority" to implement provisions of the Community Redevelopment Law relative to infrastructure, affordable housing, and economic revitalization. As introduced, the bill completely bypasses LAFCOs in the formation and oversight of these new districts. CALAFCO staff is reaching out to Senator Dodd and the sponsor (Local Government Commission) for clarification. **SB 852 is pending before the Senate Appropriations Committee.**
- **AB 1195 (Cristina Garcia):** This bill, introduced on February 18, 2021, would form a new Southern Los Angeles County Regional Water Agency (SLACRWA) as a regional water agency serving Southeast Los Angeles County. The boundary of the proposed SLACRWA would be the same territory as the existing boundary of the Water Replenishment District of Southern California (WRD), and the combined territory of the existing boundaries of the Central Basin Municipal Water District and the West Basin Municipal Water District. The SLACRWA would be governed by a five-member board appointed by the Governor, the Los Angeles County Board of Supervisors, the Gateway Cities Council of Governments, the South Bay Cities Council of Governments, and the San Gabriel Valley Council of Governments. Under AB 1195, when directed by the State Water Resources Control Board, the SLACRWA would consolidate operation of public water systems (defined as systems for human water consumption that have 15 or more service connections) or serve as an administrator of a public water system. The bill is special legislation without LAFCO involvement in the formation of the SLACRWA. AB 1195 did not clear the Senate, and it is now a two-year bill.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Legislative Update.

Lagerlof, LLP

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William F. Kruse
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MEMORANDUM

To: Los Angeles County Independent Special Districts
From: William F. Kruse, Special Counsel
Date: April 25, 2022
Subject: Election Results; LAFCO Commissioner and Alternate Representative

The elections for LAFCO Commissioner and for Alternate Representative closed as of 5:00 p.m. on April 22, 2022. Twenty-eight (28) valid ballots were received. One additional ballot was received but was invalid due to lack of a signature. The results are as follows:

1. For VOTING REPRESENTATIVE:

STEVEN APPLETON received 3 votes

E.G. "JERRY" GLADBACH received 22 votes

SHARON S. RAGHAVACHARY received 3 votes

Mr. Gladbach will serve as LAFCO Voting Representative with his term ending May 4, 2026.

2. For ALTERNATE REPRESENTATIVE:

MELVIN L. MATTHEWS received 20 votes

BARU SANCHEZ received 6 votes

Two districts abstained.

Mr. Matthews will serve as LAFCO Alternate Representative with his term ending May 4, 2026.

Thank you for participating in the election.

REC'D LAFCO
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