

Dissolution of the Huntington Municipal Water District

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Executive Officer, LA LAFCO

“Let’s dissolve a district!”



Chapman Woods



C O N T R A C T

Between

CITY OF PASADENA,
and
A. B. CHAPMAN ESTATE

April 1931

SERVICE OF WATER

In consideration of the transfer to it of the properties herein described, the City agrees that all consumers of water within the boundaries of the land served by the water system conveyed hereunder and hereinafter described, shall have a right to the continued service of water co-equal with the rights of all other consumers in the area served by the City of Pasadena, both within and without the territorial limits of the City, and that no preference shall be given to any portion of the said area served by the City to the detriment of consumers within the area heretofore served by the Second Parties and hereinafter described.



Los Angeles LAFCO
Municipal Service Review Report
Water Service – West San Gabriel Valley
December 1, 2004 – Final 51

3.7 GOVERNMENT STRUCTURE OPTIONS

The Huntington Municipal Water District is not directly providing service; it contracts with Pasadena Water & Power for all maintenance and operations. The customers within the District's service area are being assessed, primarily for insurance and audit costs. The District does not show any assets on its financial statement or any plans for capital improvements. The Board meets once per year. **It is recommended that the Huntington Municipal Water District be given a zero-area sphere of influence.** Los Angeles LAFCO should initiate discussions with the District and Pasadena Water & Power to determine if a reorganization of the agencies might increase efficiencies and reach economies of scale.

Dissolution Timeline

April 11, 2012	Commission hires consultant (Hogle-Ireland)
August 4, 2012	Hogle-Ireland issues Draft MSR
March 13, 2013	Public Hearing
May 8, 2013	Protest Hearing
June 25, 2013	Effective Date of Dissolution

HUNTINGTON MUNICIPAL WATER DISTRICT

3531 San Pasqual Street
Pasadena, CA 91107

July 1, 2013

Mr. Jason Tajima
County of Los Angeles
Hall of Administration Building
500 West Temple Street, Room 723
Los Angeles, CA 90012

Dear Mr. Tajima:

In accordance with our previous conversations I am now enclosing a check of the Huntington Municipal Water District in the amount of \$268,001.28 transferring all of our assets to the County of Los Angeles.

The Local Agency Investment Fund transferred \$247,917.45 to Union Bank in June bringing that balance to \$271,942.00.

In June we wrote checks in the amount of \$1,125.75 (D & O Insurance Tail) and \$2,850.00 (Final Audits). A tax deposit of \$30.58 was made and interest on the account was \$4.45.

There is still interest due from LAIF which will be paid July 15. I assume the Warrant will come to me at which time I will endorse it over to County of Los Angeles and mail it to you.

I will be away for a week but can be reached at 805-969-2119 if necessary.

Very truly yours,

Harold H. Hennacy, Sec-Treas.
626-792-1882



3 Reasons why it is a **BIG DEAL!**

Funding no services

Potential for abuse

LAFCO's job



Lessons
Learned

Over-Notify!



Lessons: Outreach



Outreach

Reach out to special district board(s) early

Reach out to special district board(s) often

Reach out to successor agency

Staff should consult with Commissioners in advance

Research LAFCO history

Identify “non-traditional” information sources

Outreach . . . Be patient!



Lessons: The Law



The Law

Research CKH for all applicable sections

Anticipate “inconsistencies” in CKH

Talk to other LAFCOs

Understand how assets are disposed

Read the principal act

Involve staff and legal counsel as . . .



Conclusions

This is LAFCO'S job.

Commission-initiated dissolutions are a lot of work

Understand the law

Understand the involved district

Outreach, outreach, outreach

Questions?

