



**Inyo Local Agency Formation Commission**  
 168 North Edwards Street  
 Post Office Drawer L  
 Independence, California 93526

Phone: (760) 878-0263  
 FAX: (760) 872-2712  
 E-Mail: [inyolafco@inyocounty.us](mailto:inyolafco@inyocounty.us)

## INYO LOCAL AGENCY FORMATION COMMISSION AGENDA

January 15, 2025 at 4:00 p.m.

To be held at:  
 Clint Quilter County Consolidated Office Building  
 1360 N. Main Street, Conference Room 109  
 Bishop, CA. 93514

**Alternate Meeting Location:**  
**1100 K Street, Sacramento, California 95814**

Commissioners: Scott Marcellin (Inyo County) (Chair)  
 Jeff Griffiths (Inyo County)  
 Stephen Muchovej (City of Bishop)  
 Karen Kong (City of Bishop) – (Vice Chair)  
 Alan Tobey (Public)

Alternates: Trina Orrill (Inyo County), Jose Garcia (City of Bishop)

Executive Officer: Cathreen Richards  
 Staff Analyst/Clerk: Sally Faircloth  
 Counsel: John Vallejo

**Public Notice:** (1) This meeting is accessible to the public both in person and, for convenience, via Microsoft Teams application. The Teams Meeting webinar is accessible to the public at <https://teams.microsoft.com>. Please use Meeting ID: 264 786 535 025 - Passcode: wf9UN3Vm. The meeting may also be accessed by telephone at the following numbers: (312)- 620-5302 - Phone conference ID: 625 563 786#.

Items will be heard in the order listed on the agenda unless the Inyo Local Agency Formation Commission (LAFCO) rearranges the order or the items are continued.

The LAFCO Chairperson will announce when public testimony can be given for items on the agenda. Please be aware that the Commission will consider testimony on both the project and related environmental documents.

If you challenge in Court any findings, determination or decision made following any Public Hearing announced in this agenda in Court, you may be limited to raising only those issues you or someone else rose at the Public Hearing, or in written correspondence delivered to the Inyo LAFCO at, or prior to, the Public Hearing.

(2) In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Inyo LAFCO at (760) 878-0263 (28 CFR 35.102-3.104 ADA Title II). Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting. Should you because of a disability require appropriate alternative formatting of this agenda, please notify Inyo LAFCO at least 72 hours prior to the meeting to enable the Commission to make the agenda available in a reasonable alternative format (Government Code Section 54954.2).

**ITEM 1: Pledge of Allegiance**

**ITEM 2: Roll Call** – Roll call will be taken by staff.

**ITEM 3: Public Comment Period** – This is the opportunity for anyone in the audience to address the Commission on any relevant subject that is not scheduled on the agenda.

- ITEM 4:** **Approval of Minutes (Action Item)** – the Commission will consider the minutes from the May 5, 2024, meeting.
- ITEM 5:** **Determine if the Independence Community Service District is Inactive and Approve a Resolution to Initiate Proceedings to Dissolve the Independence Community Service District Pursuant to Government Code Section 56879 (Action Item).**
- ITEM 6:** **Public Comment Period** – This is the opportunity for anyone in the audience to address the Commission on any relevant subject that is not scheduled on the agenda.
- ITEM 7:** **Executive Officer’s and Commissioners’ Reports**
- ITEM 8:** **Determine Time and Location for the Next Meeting of Inyo LAFCO**
- ITEM 9:** **Adjournment**



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**Commissioners:**

Scott Marcellin– Inyo County (Chair)  
Karen Kong - City of Bishop (Vice-Chair)  
Stephen Muchovej – City of Bishop  
Allen Tobey – Public  
Jeff Griffiths – Inyo County

**Alternates:**

Trina Orrill (Inyo County)  
Jim Ellis (City of Bishop)

**LAFCO Staff:**

Cathreen Richards – Inyo County - (Executive Officer)  
John C Vallejo - (Counsel)  
Sally Faircloth – Inyo County – (Lafco Analyst/Clerk)

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## Minutes for Wednesday, May 29, 2024

These Minutes are for consideration for approval by Inyo LAFCO at its next meeting.

The Inyo Local Agency Formation Commission met on Wednesday, May 29, 2024, Chair Marcellin opened the meeting at 4:02 p.m.

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**ITEM 1: Pledge of Allegiance** – All recited the Pledge of Allegiance.

**ITEM 2: Roll Call** – Commissioners Present: Chair Marcellin, Jeff Griffiths, Stephen Muchovej, Allan Tobey.

Staff present: Cathreen Richards, Executive Officer, John Vallejo, County Counsel and Sally Faircloth, LAFCo Analyst/Clerk.

**ITEM 3: Public Comment Period** – This is the opportunity for anyone in the audience to address the Commission on any relevant subject not scheduled on the agenda.

No one from the Public wished to speak at this time. 4:04 p.m.

**ITEM 4: Approval of Minutes (Action Item)** – the Commission will consider the minutes from April 03, 2024.

Chair Marcellin asked for a motion, Commissioner Stephen Muchovej made a motion to approve the minutes and Commissioner Griffiths made the second.

LAFCO Clerk, Sally Faircloth proceeded with roll call for each vote.  
Scott Marcellin – Yes  
Jeff Griffiths– Yes  
Stephen Muchovej-Yes  
Allan Tobey – Yes

The motion passed 4-0

**ITEM 5: Approval of the 2024-2025 Final Budget (Public Hearing & Action Item – Requires 3/5 vote)** – The Inyo LAFCO Executive Officer’s FY 2024-2025 Final Budget will be presented for discussion and Commission approval.

Cathreen Richards, Executive Director presented the Final Budget.

Chair Marcellin opened Public Comment at 4:05 p.m.

With no one wishing to speak Chair Marcellin closed public comment period at 4:06 p.m.

Commissioner Griffiths made a motion to approve the final budget. Commissioner Muchovej made the second.

LAFCO Clerk, Sally Faircloth proceeded with roll call for each vote.  
Scott Marcellin – Yes  
Jeff Griffiths– Yes  
Stephen Muchovej-Yes  
Allan Tobey – Yes

The motion passed 4-0.

**ITEM 6: Annual Contract between Inyo LAFCO and the County of Inyo for Professional Services for Fiscal Year 2024-2025 (Action Item)** – The annual contract between Inyo LAFCO and the County of Inyo for professional services for Fiscal Year 2024-2025 will be presented to the Commission for consideration and authorization for the Chair to sign.

Cathreen Richards, Executive Director presented the information on the contract.

Chair Marcellin made a motion to approve. Commissioner Muchovej made the second.

LAFCO Clerk, Sally Faircloth proceeded with roll call for each vote.  
Scott Marcellin – Yes  
Jeff Griffiths– Yes  
Stephen Muchovej-Yes  
Allan Tobey – Yes

The motion passed 4-0.

**ITEM 7: Approval of a map correction on the Eastern Sierra Community Services District (ESCSA) Sphere of Influence Map (Action Item)** – The ESCSD alerted Inyo LAFCo staff to an error on its Sphere of Influence map. Staff is recommending that the LAFCo approve a new corrected map. This project is Exempt from CEQA, pursuant to the Common Sense Exemption 15061(b)(3).

Cathreen Richards, Executive Director presented the information for approval of a map correction.

Commissioner Tobey asked Ms. Richards the reason for a correction request for the ESCD Sphere of Influence Map.

Ms. Richards stated the original map indicated a misplacement of the polygon on the map and the district requested a correction change.

Commissioner Muchovej asked Ms. Richards a question regarding the tribe and potentially changing sewer systems out from the Eastern Sierra Community Services District.

Ms. Richards was able to answer Commissioner Muchovej's question upon further discussion.

Commissioner Griffiths made a motion to approve the correction. Commissioner Muchovej made the second.

LAFCO Clerk, Sally Faircloth proceeded with roll call for each vote.  
Scott Marcellin – Yes  
Jeff Griffiths– Yes  
Stephen Muchovej-Yes  
Allan Tobey – Yes

The motion passed 4-0.

**ITEM 8: Public Comment Period** – With no other questions, Chair Marcellin opened a Public Comment at 4:17 p.m.

With no one wishing to speak Chair Marcellin closed Public Comment period at 4:17 p.m.

**ITEM 9: Executive Officer's and Commissioners' Reports**

Ms. Richards also reminded the commissioners about the upcoming Annual CALAFCO Conference coming up in October 16-18th in Yosemite and that we would need an answer from anyone wishing to attend by the beginning of July 2024 for early bird registration. Ms. Richards also reminded the commissioners that only one person was budgeted to attend the conference this fiscal year.

**ITEM 10: Determine Time and Location for the Next Meeting of Inyo LAFCO**

Cathreen Richards recommended the next meeting be scheduled at this time next April 2025.

**ITEM 11: Adjournment** – Chair Marcellin adjourned meeting at 4:20 p.m.



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### **STAFF REPORT**

**MEETING DATE:** January 15, 2025

**AGENDA ITEM:** 5

**SUBJECT:** Determine if the Independence Community Service District is Inactive and Approve a Resolution to Initiate Proceedings to Dissolve the Independence Community Service District Pursuant to Government Code Section 56879

#### **EXECUTIVE SUMMARY**

In 2017 SB 448 was signed into law. It created a definition in Government Code Section 56042 for "inactive districts" and created a special process for dissolution of these districts. This process is now part of Government Code Section 56879 – Inactive Special District.

The definition for an "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in Section 56036 (a district formed pursuant to state law).
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

This process starts with the State Controller's Office (SCO) sending a letter to the County LAFCo where the inactive district is located, stating that they believe a district(s) qualifies as an inactive district. Inyo LAFCo received such a letter (attached) which lists the Independence Community Service District (CSD) as perceived to be inactive. As part of this process the local LAFCo must determine if it agrees with the SCO determination. Section 56879 requires the local LAFCo to determine if the agency in question is inactive, within 90 days of getting the letter from the SCO. If the local LAFCo determines that it is an inactive district, it must, within 90 days of that decision, hold a public hearing and make final determination to dissolve the district. This agenda item is to decide if the Commission agrees with the SCO determination that the Independence CSD is an inactive district. If the Commission does agree, the next step is a publicly noticed hearing to decide if the Independence Community Service District should be dissolved.

The Independence CSD boundary covers the town of Independence and a sizable area surrounding it (map attached). Due to the settlement of the Long-Term Water Agreement (LTWA) between Inyo County and the City of Los Angeles the District was formed in 2001 to provide water service that was previously provided by the City of Los Angeles to the residents of Independence. However, as stated in the 2007

Municipal Services Review (MSR) of the CSD, pursuant to the provisions of the LTWA, water service facilities were never relinquished to the CSD, as the County took over the operations of the water system from the City of Los Angeles in 2002. At the time of the 2007 MSR, the Independence CSD was negotiating with the County to lease the water system as a step towards eventually obtaining possession. This never happened and there is no evidence that the Independence CSD was ever a water service provider even though they established a District pursuant to California LAFCo law and formed a Board. It appears that the Independence CSD made a serious and well-intentioned attempt at it, but the County has maintained the Independence water system since 2002. The MSR goes on to point out that the Independence CSD had no physical assets, liabilities, outstanding judgements, litigation, contracts, liens or claims, nor had it adopted a Capital Improvement Plan. These factors meet all the requirements for the Independence CSD to be determined an inactive district pursuant to Government Code Section 56042.

### **STAFF RECOMMENDATION**

Staff recommendation:

- Agree with the SCO's determination that the Independence CSD is an inactive district.
- Approve the attached resolution and set a date for the dissolution hearing for the Independence CSD.

Alternate options

- Continue consideration of the item to a future meeting and provide direction to staff, as needed. This is not recommended since there is a 90-day requirement to complete this step.
- Disagree with the SCO's determination that the Independence CSD is an inactive district. This is also not recommended as the Independence CSD is clearly inactive and this is a necessary cleanup item. The County Elections Office has requested that LAFCo dissolve the Independence CSD on several occasions and staff has been waiting for the determination from the SCO to do so. This request is due to the fact that Elections staff have to keep putting the Independence CSD Board on the ballot until it is officially dissolved.

### **ENVIRONMENTAL REVIEW**

Section 15320 of the California Environmental Quality Act (CEQA) Guidelines state that reorganizations of local agencies are exempt from environmental review where the changes do not alter the geographic area in which previously existing powers are exercised. Since the Independence CSD does not and has not provided any services or otherwise exercised its powers, the proposed dissolution is exempt from the provisions of CEQA.

### **ATTACHMENTS**

- Inactive District Notification letter from the State Controller's Office
- Inyo LAFCO Draft Resolution No. 2025-01
- Independence CSD Map
- 2007 Independence CSD MSR



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

October 31, 2024

Cathreen Richards  
Executive Officer  
Inyo LAFCO  
PO Drawer L  
Independence, CA 93526

**SUBJECT: Notification of Inactive Special Districts in County**

Dear Executive Officer Richards:

Chapter 334, Statutes of 2017 added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding inactive special districts. This bill requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Report (FTR), to publish the list of inactive special districts on its website annually, and to notify the local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" must:

- Meet the definition set forth in GC section 56036;
- Have no financial transactions in the previous fiscal year; and
- Have no assets, liabilities, outstanding debts, judgments, litigation, contracts, liens, or claims.

Pursuant to GC section 56879, the Commission is required to initiate dissolution of inactive special districts by resolution within 90 days of receiving this notice, unless the Commission determines that a district does not meet the criteria set forth in GC section 56042. Additionally, the Commission is required to notify SCO if it determines that district does not meet the dissolution criteria in GC section 56042. Once the dissolution process is complete, please inform SCO using the contact information on page 2.

- Enclosed is a copy of the list of inactive California special districts. The list is determined by financial data in each special district's Fiscal Year 2022-23 FTR. The list of inactive California special districts may also be found on the SCO website at:  
[https://www.sco.ca.gov/ard\\_local\\_rep\\_freq\\_requested.html](https://www.sco.ca.gov/ard_local_rep_freq_requested.html).

Cathreen Richards  
Executive Officer  
October 31, 2024  
Page 2 of 2

If you have any questions or need to notify us of a special district's status, please contact Jaswant Gill at [JGill@sco.ca.gov](mailto:JGill@sco.ca.gov) or (916) 327-4366.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Pangilinan". The signature is fluid and cursive, written over a light blue horizontal line.

Phillip Pangilinan  
Manager  
Local Government Reporting Section

Enclosures

California State Controller's Office  
 List of Inactive Districts per Government Code section 56879  
 Source: Special Districts Financial Transactions Reports, Fiscal Year 2022-23

#	District Name	City	County
1	County Service Area No. 6 (Calaveras)	San Andreas	Calaveras
2	County Service Area No. 3 (Colusa)	Colusa	Colusa
3	Independence Community Services District	Independence	Inyo
4	County Service Area No. 32 (Santa Barbara)	Santa Barbara	Santa Barbara
5	Fall River Valley Irrigation District	Redding	Shasta
6	Sierra City Public Utility District	Downieville	Sierra
7	County Service Area No. 60 (Tuolumne)	Sonora	Tuolumne
8	Lake Sherwood Community Services District	Ventura	Ventura
9	County Service Area No. 56 (Yuba)	Marysville	Yuba
10	County Service Area No. 57 (Yuba)	Marysville	Yuba
11	County Service Area No. 58 (Yuba)	Marysville	Yuba
12	River Highlands Community Service District	Marysville	Yuba
13	Royal Pines County Service Area (Yuba)	Marysville	Yuba

PROOF OF SERVICE BY MAIL

I declare: I am a citizen of the United States, over the age of 18 years, and not a party to this action. My business address is State Controller's Office, 3301 C Street, Suite 740, Sacramento, California 95816.

On the date set forth below, I served the following entitled document:

Notification of Inactive Special Districts in County

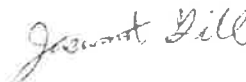
by placing a true copy thereof in a sealed envelope addressed to the person(s) named below at the address(es) shown and by placing said envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business' practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

*Name:* Cathreen Richards  
Executive Officer  
Inyo Local Agency Formation Commission

*Address:* Inyo LAFCO  
PO Drawer L  
Independence, CA 93526

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 31, 2024, at Sacramento, California.

*Signature:*   
*Printed Name:* Jaswant Gill

**RESOLUTION NO. 2025-01**

**A RESOLUTION OF THE INYO LOCAL AGENCY FORMATION COMMISSION  
TO INITIATE PROCEEDINGS DISSOLVING THE INACTIVE INDEPENDENCE  
COMMUNITY SERVICE DISTRICT**

WHEREAS, on November 12, 2024, the California State Controller notified the Commission pursuant to Government Code section 56879 that the Independence Community Service District is an inactive district; and

WHEREAS, the Commission, pursuant to Government Code section 56879, shall initiate the dissolution of the Independence Community Service District within 90 days of receipt of notice from the State Controller's Office unless the Commission finds that the Independence Community Service District is not inactive as defined in Government Code section 56042; and

WHEREAS, the territory proposed to be dissolved is legally inhabited and includes the entirety of the boundaries of the Independence Community Service District, as depicted in Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the Inyo Local Agency Formation Commission, as lead agency under the California Environmental Quality Act (CEQA), finds the dissolution to be Exempt pursuant to Section 15320 of the California Environmental Quality Act (CEQA) Guidelines that state reorganizations of local agencies are exempt from environmental review where the changes do not alter the geographic area in which previously existing powers are exercised. Since the Independence Community Service District does not provide any services or otherwise exercise its powers, the proposed dissolution is exempt from the provisions of CEQA; and,

WHEREAS, terms and conditions will be determined by the Commission upon approval of the dissolution.

NOW, THEREFORE IT BE RESOLVED, the Inyo Local Agency Formation Commission finds that:

1. The Inyo Local Agency Formation Commission serves as lead agency under the California Environmental Quality Act (CEQA) and finds the initiation of dissolution to be exempt from CEQA pursuant to CEQA Guidelines Section 15320, as the Independence Community Service District does not provide any services or otherwise exercise its powers, the proposed dissolution is exempt from the provisions of CEQA.
2. The Independence Community Service District is an inactive district as defined in Government Code Section 56042 and the proposal of a dissolution of the Independence Community Service District, as depicted in Exhibit "A", attached hereto and made a part hereof, is initiated.

PASSED AND ADOPTED this 15<sup>th</sup> day of January 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

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Scott Marcellin, Chair  
Inyo LAFCO

ATTEST:

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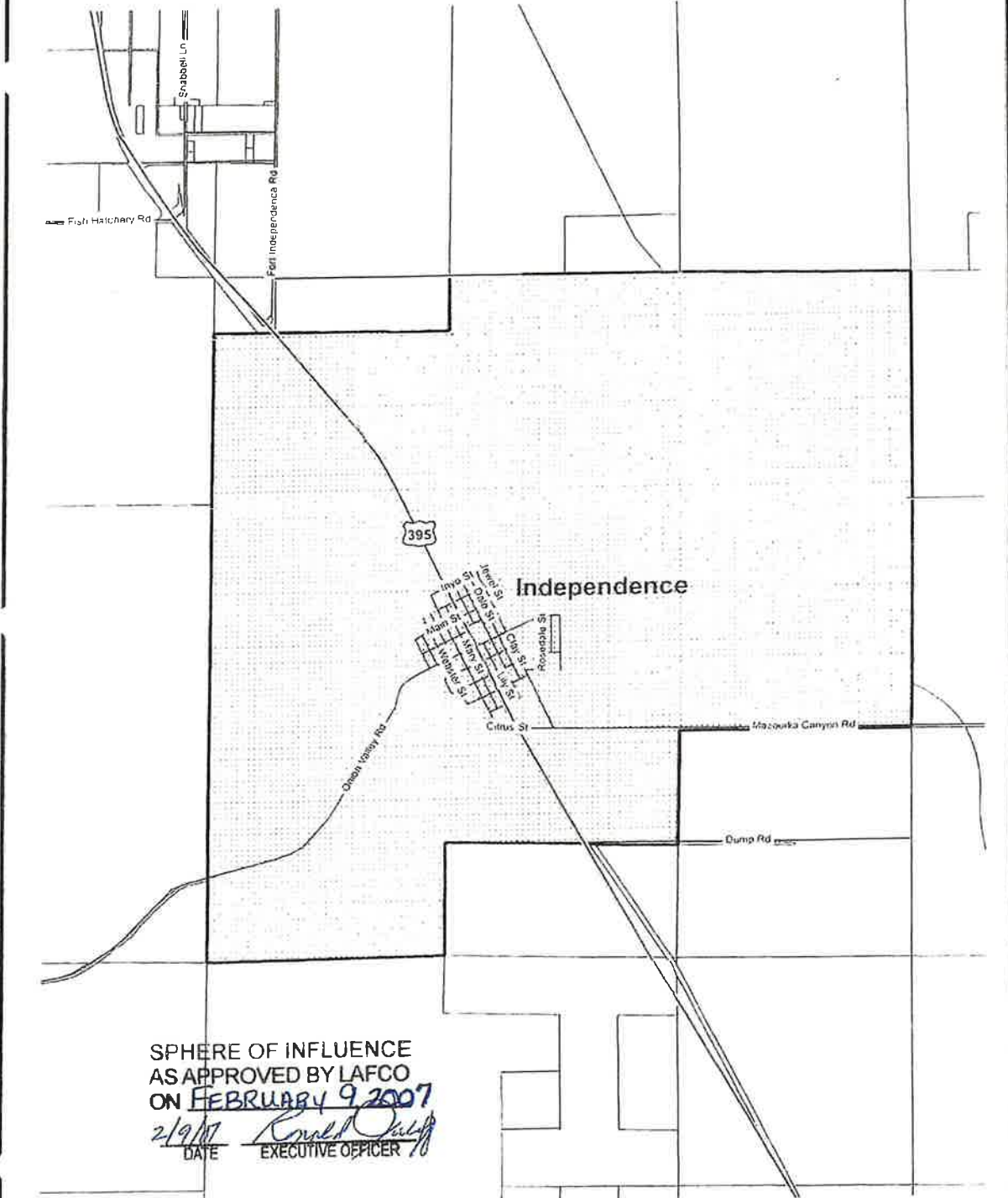
Cathreen Richards  
Inyo LAFCO Executive Officer

By: 

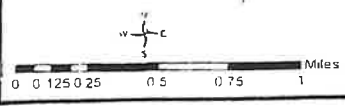
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Sally Faircloth, LAFCO Secretary

INDEPENDENCE COMMUNITY SERVICE DISTRICT  
 SPHERE OF INFLUENCE



SPHERE OF INFLUENCE  
 AS APPROVED BY LAFCO  
 ON FEBRUARY 9, 2007  
 2/9/07 *Ronald O'Neil*  
 DATE EXECUTIVE OFFICER



Inyo County Planning Department  
 PO Drawer L (760) 878 0263  
 158 N. Edwards Street Inyoplanning@qnet.com  
 Independence, CA 93526 www.inyoplanning.org

Legend  
 [ ] DISTRICT  
 [ ] SPHERE OF INFLUENCE

# 1. MUNICIPAL SERVICE REVIEW

## Description of District

The Independence Community Services District was formed September 21, 2001 and operates pursuant to the Community Services District Act (Government Code, Section 61000 et seq.).

The District includes the community of Independence and surrounding lands. Its boundary and sphere of influence are identical.

A five-member board of directors, elected at-large, governs the District. The General Board Secretary is responsible for administrative functions.

The District's Mission Statement is appended to this report. A statement provided by the District is available in the LAFCO office providing background information explaining the unique circumstances surrounding the formation of the District.

## District Services

The District was formed to provide water for the community of Independence and its environs. Due to provisions of the Water Agreement between Inyo County and the City of Los Angeles Department of Water and Power, water service facilities have not been relinquished to the District.

## Other Governmental Agencies within the District

The District overlaps the East Independence Sanitary District, Independence Cemetery District, Independence Fire Protection District, Southern Inyo Hospital District and Inyo-Mono Resource Conservation District.

# 2. MSR DETERMINATIONS

This report addresses the MSR factors specified in LAFCO's governing statute.

## **Infrastructure Needs and Deficiencies**

Inyo County is currently operating the water system. The District is negotiating with the County to lease the system as a step towards obtaining possession of the system.

The District has no physical assets, nor has it adopted a Capital Improvement Plan. It is aware of improvements needed based on an engineering study by Boyle Engineering pursuant to the Inyo County/City of Los Angeles water agreement.

### **Growth and Population Projections**

Growth within and adjacent to the District is very limited since much of the vacant land is government owned and in fact the recent census showed a loss of population in the area.

Some growth may occur if adjacent land is released for private development under the provisions of the Water Agreement with the City of Los Angeles.

### **Financing Constraints and Opportunities**

When functional the District will be financed by service fees and connections for water. Such revenue sources may avoid long-term, unfunded District obligations.

### **Cost-Avoidance Opportunities**

There are no obvious cost avoidance opportunities at this time.

### **Opportunities for Rate Restructuring**

When functional the District will have opportunities to restructure rates during the annual budget process and with the adoption of each rate ordinance.

### **Opportunities for Shared Facilities**

There are no obvious opportunities to share facilities due to the location of Independence in relationship to other communities and local public agencies.

### **Government Structure Options**

Once the District is functional consideration might be given to combining with the East Independence Sanitary District.

### **Management Efficiencies**

The District is not currently functional as a water purveyor.

### **Local Accountability and Governance**

The District is a relatively compact government, which enhances the ability of the public to participate in its activities. The Board of Directors is elected by and accountable to the voters who reside in the District. The District publishes notices of its meetings.

### 3. SPHERE OF INFLUENCE REVIEW AND UPDATE

#### Description of Current Sphere of Influence

The District's boundaries and sphere of influence are coterminous. A map of the District and its sphere are included.

#### No Proposed Sphere Changes

The District indicates its boundaries are correct and there are no plans to annex areas that are not now within the District.

#### Sphere of Influence Determinations

Inasmuch as no changes in the sphere of influence are proposed at this time it is not necessary for the Commission to adopt or approve any determinations.

### 4. ACKNOWLEDGEMENTS & REFERENCES

The Inyo LAFCO staff prepared this Municipal Service Review. Responsibility for any errors or omissions rests with those who prepared the report.

The Independence Community Services District provided the information and documents upon which the evaluation is based. District Director Arlene Grider was instrumental in providing data.

Mapping services were provided by the County of Inyo.

#### Available Documentation

The "Request for Information for Municipal Service Reviews" submitted by the District and supporting documents referred to therein are available in the LAFCO office.

### 5. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission affirm the current Sphere of Influence and that it not be expanded or revised at this time.