
AGENDA ITEM #10

TO: ALL COMMISSIONERS, ALTERNATES
FROM: ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER
SUBJECT: RESOLUTION TO INITIATE PROCEEDINGS FOR THE DISSOLUTION OF WILLOW SPRINGS WATER DISTRICT (LAFCO PROJECT #334) RESOLUTION #2020-09
DATE: MEETING OF NOVEMBER 19, 2020

BACKGROUND:

The Municipal Service Review (MSR) and sphere of influence materials contained elsewhere in this packet describe Willow Springs Water District's current situation. LAFCO has been requested by the State Controller and by the County Auditor to dissolve the district under Government Code §56375, as determined in the MSR and SOI actions and because the district has failed to exercise its corporate powers. Because the district holds \$2,279 in cash assets in the form of a check from the state, it is not considered to be an inactive district eligible for the minimal proceedings specified under §56879. Staff is currently working on options for the district to divest itself of the cash and be listed as inactive by the State Controller.

DISCUSSION:

LAFCO itself can initiate Dissolution in one of two ways: under §56375 or under §56879.

Under Government Section 56879 (b), the State Controller identifies and lists districts as inactive. Then LAFCO is required to dissolve the district within 90 days. The process is minimal. Protest proceedings are waived entirely. Amador LAFCO has efficiently dissolved our inactive districts with these proceedings.

Government Code §56042 specifies that an "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in Section 56036 (note certain types of districts are excluded at this section).
- (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, judgments, litigation, contracts, liens, or claims.

Willow Springs Water District is not listed as inactive by the State Controller. Financials reported by the State Controller's Office for 2019 showed that as of June 12, 2019, WSWD reported \$2,285 in total revenue (email January 6, 2020, ESerafica, State Controller's Office). These cash assets derive from interest earned on some small original residual balance contained in the District Bank account at Wells Fargo bank. This account was closed by the bank due to lack of activity. Wells Fargo escheated the funds to the state. Mr. Applegate explains that he was able to recover the money from the state, and holds a check in the amount of \$2,279. Unfortunately he cannot cash or deposit the check because the district no longer has a bank account or any financial standing as a government agency.

Under Government Code §56375, LAFCO can initiate the dissolution with the usual notice and hearing process, including full protest proceedings to allow for citizens to block the dissolution. Protest thresholds for LAFCO-initiated dissolution is very low; if 10% of landowners who own 10% of the assessed value (AV) of the total district protest, it kills the dissolution. For inactive districts listed by the State Controller, protest proceedings are waived.

The resolution initiating dissolution under Government Code §56375 is attached, and allows for dissolution under the alternate provisions of §56879, should the district be added to the State Controller's list as inactive.

At the time of the packet deadline, the Executive Officer is working with the County Auditor and County Counsel to assess possible options for the district to legally spend the districts residual funds and divest itself of the remaining cash assets.

One option being reviewed is the District paying for the costs of the Municipal Service Review and SOI work contained elsewhere in this agenda. Other districts have contributed or paid these costs in the past. Once divested of its cash assets, Willow Springs Water District could be added to the State Controller's list of inactive districts and dissolved under §56879.

STAFF RECOMMENDATIONS:

Adopt Resolution #2020-09, initiating the dissolution of the Willow Springs Water district under either Government Code §56375 or under §56879, if listed as an inactive district by the State Controller.

Attachments:
Draft Resolution #2020-09

BASIS OF BEARINGS:

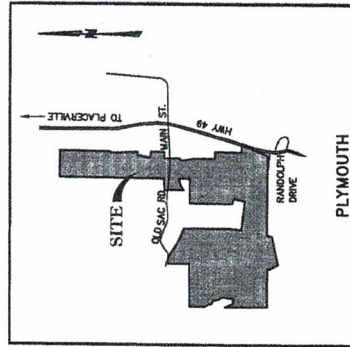
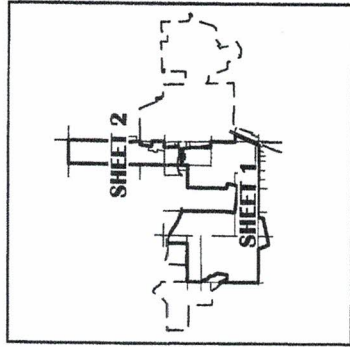
IS TAKEN FROM PARCEL LINES AND ASSESSMENT BOUNDARIES PROVIDED BY AMADOR GIS AND THE MAPPING DIVISION OF THE BOARD OF EQUALIZATION.

SEE SHEET 2 FOR COURSE DATA TABLES.

SCALE: 1"=500'

BOUNDARY MAP
L.A.F.C.O. PROJECT XXXX
ANNEXATION TO CITY OF PLYMOUTH
PORTIONS OF SECTIONS 3, 9, 10, 11, 15 & 16
T.7N., R.10E., M.D.M.

AMADOR COUNTY CALIFORNIA
JULY 2011
R.E.Y. ENGINEERS, INC.



KEY MAP

VICINITY MAP

LEGEND:

- DIMENSION POINT
- SECTION CORNER APPROXIMATE
- PROP. BOUNDARY RECORD INFORMATION
- SECTION LINE APPROXIMATE
- PLYMOUTH CITY LIMITS

APPROVED BY:

LOCAL AGENCY FORMATION COMMISSION
AMADOR COUNTY, CA 95667

DATE: _____

A TEST: _____

EXECUTIVE OFFICER

COUNTY SURVEYOR'S STATEMENT:

THIS EXHIBIT MEETS THE REQUIREMENTS OF THE STATE BOARD OF PROFESSIONAL LAND SURVEYORS OFFICE AND CONFORMS TO THE LINES OF ASSESSMENT.

GEORGE E. ALLEN L.S. 4951
AMADOR COUNTY SURVEYOR

DATE: _____

SURVEYOR'S STATEMENT:

THIS EXHIBIT WAS PREPARED ON 7-5-11 AND IS FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

STEPHEN GUY L.S. 8277

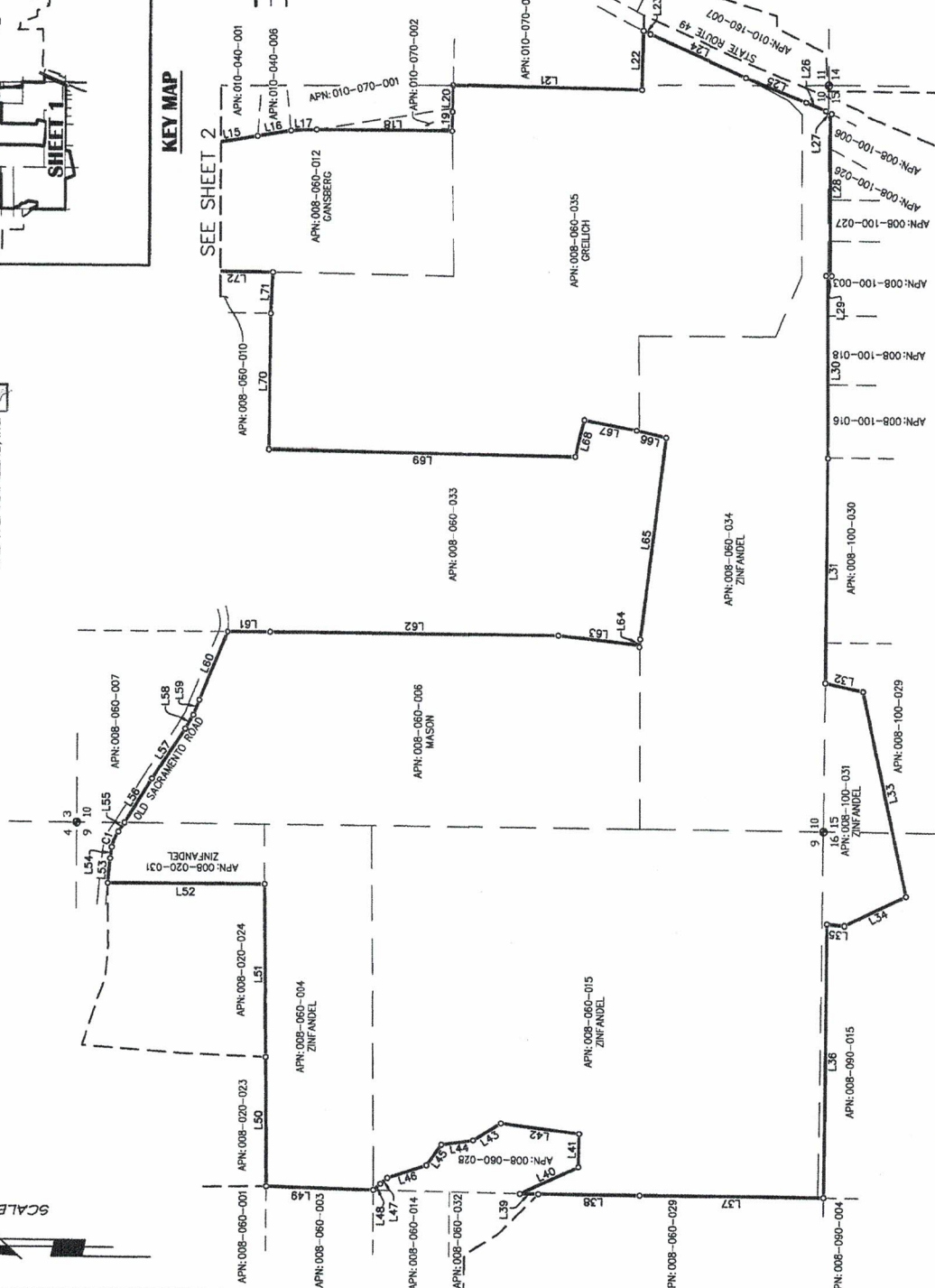
DATE: _____

RECEIVED
AMADOR COUNTY SURVEYING

JUL 14 2011

344 COLLETT ST
JACKSON, CA 95642

SHEET 1 OF 2



LOCAL AGENCY FORMATION COMMISSION

RESOLUTION INITIATING THE DISSOLUTION OF WILLOW SPRINGS WATER DISTRICT

LAFCO RESOLUTION NUMBER 2020-09

WHEREAS, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act, commencing with §56000, et seq. of the Government Code, and specifically in accordance with §56375; and

WHEREAS, Willow Springs Water District was formed to provide irrigation water services to certain parcels in the area west of the City of Plymouth, and no services or water has been served for at least 25 years; and

WHEREAS, the dissolution of Willow Springs Water District will not lead to any changes in services otherwise provided; and

WHEREAS, pursuant to GC §56871, the board of directors of Willow Springs Water District has not furnished or provided services or facilities of substantial benefit to residents, landowners, or property within the district; has not levied taxes or other charges or made expenditures for at least 25 years; and there has not been a duly selected and acting quorum of board of directors of the district for many years; and

WHEREAS, the commission may initiate proposals for the dissolution of a district under §56375(a)(2)(B) of the Government Code; there is no alternative district proposal pursuant to §56862; and there are no conflicting proposals pursuant to § 56657; and

WHEREAS, the proposed dissolution is consistent with a recommendations and conclusions of the Municipal Services Review prepared by Amador LAFCO in 2008 and updated in 2020, which identifies dissolution as the logical government structure option; and

WHEREAS, The dissolution is consistent with the findings and determinations of the commission, made under Section 56425 and contained in LAFCO Resolution #2020-08, November 19, 2020, affirming a “zero” sphere of influence for Willow Springs Water District;

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED as follows:

1. The dissolution of Willow Springs Water District is hereby initiated by the commission and staff is directed to commence dissolution proceedings pursuant to §56375 or under §56879.
2. The dissolution is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) in that there is no possibility that the action taken by the Commission may have a significant effect on the environment.
3. Public service costs of the dissolution are likely to be less than or substantially similar to the costs of alternative means of providing the service by eliminating an inactive district.

AMADOR LAFCO

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LOCAL AGENCY FORMATION COMMISSION

4. The proposed Dissolution promotes public access and accountability for community service needs and financial resources by eliminating an inactive district.
5. The distinctive short-form designation assigned to the dissolution is:
Dissolution of Willow Springs Water District (LAFCO Project #334).

The foregoing resolution was duly passed and adopted by the Local Agency Formation Commission of the County of Amador at a regular meeting thereof, held on the 19th day of November, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Presiding Officer
Patrick Crew, Chairman

ATTEST:

Nancy Mees
Clerk to the Commission
Amador Local Agency Formation Commission
Amador County, California