



# staff report

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TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey L. Stewart, City Manager  
Karl H. Berger, City Attorney  
Mayra Ochiqui, City Clerk

SUBJECT: Consideration and possible action to conduct a public hearing to consider adopting a Resolution seeking voter approval to sell the Bellflower Municipal Water System ("MWS") to a specific buyer; and, if approved, adopt other Resolutions necessary to place the matter on the consolidated November 8, 2016, ballot.

DATE: June 27, 2016

## **EXECUTIVE SUMMARY**

The City's Request for Proposals ("RFP") to purchase the MWS was distributed to 14 potentially interested parties. In response, the City received four proposals to purchase the MWS. These proposals are currently under review by the City Council. The proposed continuation of the public hearing to July 11, 2016, will allow the City Council to complete its review.

## **RECOMMENDATION TO CITY COUNCIL**

- 1) Open the public hearing; take testimonial and documentary evidence; after considering the evidence, continue the public hearing to the July 11, 2016, City Council Meeting; or
- 2) Alternatively, discuss and take other action related to this item.

## **FISCAL IMPACT**

The estimated cost to consolidate with the County's November 6, 2012, Statewide General Election should not exceed \$60,000. \$51,000 included in the FY 2016-2017 Budget (Account No. 001-43602-1210) plus carryover of unused election budget allocation from FY 2015-2016 will be sufficient to fund the cost of the election. If approved by the voters, the proposed sale of the Municipal Water System would generate some yet to be determined revenue dependent upon the specific buyer's offer.

## **PUBLIC NOTICE**

On June 9, 2016 and June 16, 2016, a Public Hearing Notice was published in the *Herald American* newspaper; and on June 10, 2016 and June 16, 2016, a Public Hearing Notice was posted at City Hall, Brakensiek Library, Bellflower Substation, Caruthers Park, Simms Park, and Thompson Park.

**Staff Report – Public Hearing Regarding the Possible Sale of the MWS and Calling for a Special Election to be Consolidated with the County**  
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**DISCUSSION**

At its May 9, 2016 meeting, the City Council approved a Request for Proposals (“RFP”) to purchase the MWS and directed its distribution to interested parties. Copies of the RFP were subsequently distributed to 14 potentially interested parties.

In response to the RFP the City received four proposals before the June 7, 2016 (extended from May 31, 2016) submission deadline.

The next election that the measure can be voted upon is the consolidated November 8, 2016, Special Municipal Election (consolidated with the Statewide General Election). In order to ensure it is placed on the ballot, Council must approve a resolution and submit a request to Los Angeles County not later than August 12, 2016 (though the County Elections office prefers having everything submitted in June). Based upon the limited time until August 12, 2016, the City Council approved the following timeline has been revised from May 9, 2016:

June 13	D-60 <sup>1</sup>	Regular City Council Meeting. City Council sets a date for a public hearing to consider proposals received.
June 27	D-46	Regular City Council Meeting. After opening the public hearing; taking testimonial and documentary evidence; and after considering the evidence, City Council continues the public hearing to the July 11, 2016
July 11	D-32	Regular City Council Meeting. City Council reopens the continued public hearing and considers whether to adopt a resolution to sell the MWS to a specific buyer along with other actions necessary to place the matter on the consolidated November 8, 2016, ballot.
August 8	D-4	Regular City Council Meeting
August 12	D-0	Last day for submission of ballot measures to Los Angeles County
October 9		Last day for acquiring entity to make required disclosure to existing customers
November 8		Election Day

With the August 12<sup>th</sup> deadline in mind, the City Council should consider adopting a resolution to sell the MWS to a specific buyer along with other actions necessary to place the matter on the consolidated November 8, 2016, ballot to seek voter ratification of such sale in accordance with California law.

Alternatively the City Council may reject all proposals or postpone action to some future date.

Nothing requires the City Council to take any action to sell the MWS.

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<sup>1</sup> “D-” numbers indicate days until last day for submission of ballot measures to Los Angeles County.