



staff report

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: July 11, 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 25, 2016, will allow the City Council to complete its review and City Staff to mail a public hearing notice to all MWS customers.

RECOMMENDATION TO CITY COUNCIL

- 1) Reopen the public hearing; take testimonial and documentary evidence; after considering the evidence, continue the public hearing to a Special City Council Meeting on July 25, 2016, at 3:00 p.m.; 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. A public hearing notice will be mailed to all MWS customers notifying them of the continuance of the public hearing to a Special City Council Meeting on July 25, 2016, at 3:00 p.m.

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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 ¹	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, Regular City Council Meeting.
July 11	D-32	Regular City Council Meeting. After reopening the public hearing; taking testimonial and documentary evidence; and after considering the evidence, City Council continues the public hearing to the July 25, 2016, Special City Council Meeting.
July 25	D-18	Special 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

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

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With the August 12th 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.

ATTACHMENT

Postcard to Municipal Water System Customers..... 4

**City of Bellflower
Municipal Water System**

Notice of Public Hearing

On July 25, 2016 at 3:00 P.M., the Bellflower City Council will hold a public hearing at City Hall (16600 Civic Center Drive, Bellflower, CA 90706) to consider whether to sell the Bellflower Municipal Water System (“MWS”). At that time, it will consider the proposals submitted by four different companies. Should the City Council decide to sell the MWS to a specific buyer, the voters must approve that sale at an election scheduled for November 8, 2016.

Additional information regarding the City Council’s decision-making process can be obtained by contacting Catherine Jun at 562-804-1424, ext. 2270 or cjun@bellflower.org.

Information can also be downloaded from the City’s website at:
www.bellflower.org/potentialsale

*Este aviso contiene información acerca de la posible venta de su sistema de agua.
Para su traducción en español, por favor llame al 562-804-1424 ext. 2285.*

**City of Bellflower
Municipal Water System
16600 Civic Center Drive
Bellflower, CA 90706**

NOTICE OF PUBLIC HEARING, RE: SALE OF MUNICIPAL WATER SYSTEM