



# staff report

---

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey L. Stewart, City Manager  
Mayra Ochiqui, City Clerk

SUBJECT: Consideration and possible action to 1) conduct a public hearing to consider adding two ballot measures to the previously called November 8, 2016, Special Municipal Election as follows: a) a proposition relating to the sale of the Bellflower Municipal Water System to California-American Water Company; and b) an initiative measure (advisory proposition) regarding the expenditure of revenue received for the sale of the Bellflower Municipal Water System; and 2) adopt the following resolutions necessary to place such measures on the consolidated November 8, 2016, ballot:

Resolution No. 16-47 – A Resolution adding a proposition to the ballot for the previously called November 8, 2016, Special Municipal Election pursuant to Elections Code § 9222, for the submission to the voters a question relating to the sale of the Bellflower Municipal Water System to California-American Water Company in accordance with Public Utilities Code §10061;

Resolution No. 16-48 – A Resolution adding an initiative measure to the ballot for the previously called November 8, 2016, Special Municipal Election pursuant to Elections Code § 9222, for the submission to the voters an advisory question relating to the expenditure of revenue received by the City from the sale of the Bellflower Municipal Water System;

Resolution No. 16-49 – A Resolution requesting the Board of Supervisors of the County of Los Angeles to add two measure contests to the previously consolidated Special Municipal Election to be held on November 8, 2016, with the Statewide General Election to be held on that date pursuant to Election Code § 10403;

Resolution No. 16-50 – A Resolution directing the City Attorney to prepare impartial analyses of the two additional ballot measures regarding sale of the Bellflower Municipal Water System; and

Resolution No. 16-51 – A Resolution establishing requirements for ballot arguments filed with the City Clerk to be included with voter information for an election on November 8, 2016.

DATE: July 25, 2016

**RECOMMENDATION TO CITY COUNCIL**

- 1) Reopen the public hearing; take testimonial and documentary evidence; after considering the evidence, adopt Resolution Nos. 16-47 through 16-51; and
- 2) Direct the City Manager to continue negotiating a purchase and sale agreement with the California-American Water Company with the intent to ultimately sell the Bellflower Municipal Water System to the California-American Water Company; or
- 3) Alternatively, discuss and take other action related to this item.

**FISCAL IMPACT**

The total estimated cost to consolidate with the County’s November 8, 2016, 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 sale of the Bellflower Municipal Water System to California-American Water Company for \$17 million will generate an estimated \$8.8 million of net proceeds as follows:

|   |   |              |
|---|---|--------------|
|   | Sale price  | \$17,000,000 |
| Less COP repayment/defeasance (principal & interest from October 2017 to 2018 defeasance) | (7,697,591)   |              |
| Less Federal grant reimbursement (excluding 2014 AMI BOR grant & depreciation allowance)  | (1,545,396)   |              |
|   | Sub-Total   | \$7,757,013  |
|   | COP debt service reserve                                  | 543,000      |
|   | Other Reserve Funds                                       | 500,000      |
|   | Total / Estimated Net Proceeds from Sale <sup>1 2 3</sup> | \$8,800,013  |

**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 was mailed on July 18, 2016, 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.

**BACKGROUND**

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).

---

<sup>1</sup> The above amounts are estimates except for the sale price and COP related amounts  
<sup>2</sup> The above assumes the City will forgo repayment of \$2,726,000 borrowed from the General Fund for the MWS  
<sup>3</sup> Any additional funds available at the MWS time of sale will be added to the estimated net proceeds

**Staff Report – Propositions to be Added to the November 8, 2016, Special Municipal Election**  
**July 25, 2016**  
**Page 3 of 7**

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.

At the June 13, 2016, Regular Meeting, the City Council set a date (June 27, 2016) for a public hearing to consider the proposals received. At the June 27, 2016, Regular City Council Meeting, the City Council opened the public hearing and took testimonial evidence from 1) Municipal Water Commissioner Ken Glenn who spoke in favor of the ballot measure; and 2) Peter Hirezi who asked questions relative to the sales price of the MWS. After considering the evidence, the City Council continued the public hearing to the July 11, 2016, Regular City Council Meeting. At the July 11, 2016, Regular Meeting the City Council reopened the public hearing and took testimonial evidence from John Paul Drayer who inquired as to the notice provided to MWS customers regarding the public hearing. After considering the evidence, the City Council continued the public hearing to a Special Meeting to be held on July 25, 2016, at 3:00 p.m.

## **DISCUSSION**

1. **Why Sell the Water System?** The City purchased the water system from Bill Zastrow and Peerless Water Company in 2007. The purchase was made at the behest of several residents who believed the City could maintain low rates and effect the necessary repairs and capital improvements needed to make the water system a more modern and functioning part of the City. Part of the philosophy in 2007 was that the City would be more successful in obtaining necessary grant money for repairs than a mutual or private water company.

While the City has had some success in obtaining one-time Federal grants (a total of \$1.6 million since 2008), the cessation of Congressional “earmarks” and the “Great Recession” have greatly limited the availability of these funds. The prospects for substantial additional grants in the foreseeable future are not good.

The Bellflower Municipal Water System (MWS) has been subsidized by the City's general fund in the amount of \$2.7 million since it was purchased. However, it should be noted that since the High Capacity Well entered service in 2012, the system is no longer subsidized by the general fund.

The last water rate increase was in 2009, and it was followed by rate decreases in 2012 and 2013.

The City has been faced with the dilemma of raising rates to effect necessary repairs while managing rate payer concerns that the current rates are too high. The end result is a water system that requires an estimated nearly \$30 million in improvements over the next 20 to 25 years and rate payers who simply do not believe they should have to pay higher fees for the repairs. When presented with the facts, the City's Water Commission voted to recommend the City Council sell the system to a qualified water purveyor.

**Staff Report – Propositions to be Added to the November 8, 2016, Special Municipal Election**

**July 25, 2016**

**Page 4 of 7**

2. **Potential Beneficial Impact on City's Credit Rating.** Staff recommends the City Council place this item on the November 8, 2016 ballot to seek voter approval to sell MWS and direct the City Manager to continue work on completing a Purchase and Sale Agreement with California-American Water Company. Upon voter approval, the City would complete the sale of the MWS and defease the Certificates of Participation (COP) originally issued in 2008 to purchase and improve the system. To complete the latter, it would be necessary to place the payoff amount of approximately \$7.7 million in an escrow account until October 2018, which is the earliest time when the COP can be defeased under the COP indenture. This action would have no negative effect on the City's credit rating; but, in fact, could have a beneficial impact due the resulting reduction in the City's current debt service.
3. **Public Utility Code Finding for Sale of Utility.** In addition to the testimonial and documentary evidence presented during the public hearings held on June 27, July 11, and July 25, 2016, staff recommends the City Council consider the written proposal submitted by California-American Water Company on June 7, 2016, and its responsiveness to the City's Request for Proposals for the Purchase of the City of Bellflower Municipal Water System of May 10, 2016.

Pursuant to state law, if the City Council desires to sell the MWS, it must first determine that California-American Water Company is best qualified to continue to provide equal or better water service to MWS customers on just and reasonable terms that do not discriminate against MWS customers (PUC § 10061). This finding is based upon the entirety of the administrative record including, without limitation, the following:

- a. California-American Water Company will purchase the MWS for \$17,000,000.00, subject to approval by the California Public Utilities Commission;
- b. California-American Water Company agrees that it will not raise water rates for existing MWS customers for a period from transaction close through December 31, 2020;
- c. California-American Water Company will provide equal or better customer service than the City and its contractor currently provides through the MWS;
- d. Upon voter approval and close of transaction, California-American Water Company will provide annual Capital Improvement Plan ("CIP") to City for purposes of coordination and general community knowledge of water operations; and
- e. California-American Water Company will work with Bellflower Somerset Mutual Water Company before, during, and after the transaction to ensure the highest quality water delivery services to customers of the MWS.

Staff has prepared a proposed proposition making the finding (**Attachment 1, Exhibit A**). If the City Council calls for the election, California-American Water Company would be required to disclose certain information about the proposed acquisition to MWS customers at least 30 days before the election (PUC § 10061(c)(4)).

4. **Advisory Measure on Use of Revenues from Sale of MWS.** Selling the MWS is also in the public interest as it will provide revenue to fund important public projects without the need for additional taxes or financing. Specifically, California-American Water Company will purchase the MWS for \$17,000,000.00. The City Council anticipates that, after paying for all debt associated with the MWS and foregoing reimbursement of the General Fund, it will be able to utilize approximately \$8,800,000.00 to fund various public projects. Projects to be submitted for voter consideration include:
- a. Provides funds for the construction of an artificial turf competition soccer field at Simms Park;
  - b. Provides funds for a new grass practice soccer field at Caruthers Park or Thompson Park;
  - c. Provides funds for rehabilitation of playground equipment at Caruthers, Constitution, and Thompson Parks;
  - d. Provides funds for construction of a 300+ vehicle parking structure in the Town Center;
  - e. Provides \$1,600,000 in funding for the Bellflower Event Center and Fire Museum; and
  - f. Provides partial funding for land acquisition needed to redevelop the east side of Bellflower Boulevard, between Artesia Boulevard and Ramona Street.

Sales revenue should not be used by the City Council for general municipal purposes including, without limitation, ongoing public employee salaries. The City may, however, spend a reasonable amount of the sales revenue for administrative costs directly related to implementing the public projects listed above. **(Attachment 2)**

5. **Consolidation of Ballot Measures with Statewide General Election.** The City Council called a special municipal election on October 12, 2015, for the purpose of considering a ballot measure relative to changing elections for City Council members to “by-district”. Consent was obtained from the Board of Supervisors of the County of Los Angeles to consolidate such election with the Statewide General Election on November 8, 2016. This Resolution would request that the two additional measure contests be added to the previously consolidated November 8, 2016, Special Municipal Election ballot. **(Attachment 3)**

The City Council had the authority to place a measure on the ballot up until eighty-eight (88) days before the election (August 12, 2016) (EC § 9222). Pursuant to Elections Code § 9280, the City Council has the discretion to direct the City Clerk to transmit the measures to the City Attorney, and per that same section the City Attorney may be directed to prepare impartial analyses of the measures for inclusion in the Sample Ballot and Voters Information Pamphlet. **(Attachment 4)**

**Staff Report – Propositions to be Added to the November 8, 2016, Special Municipal Election**  
**July 25, 2016**  
**Page 6 of 7**

The City Council also has the discretion of authorizing its membership, by majority vote, to file written argument(s) regarding the measure and to adopt provisions to provide for the filing of rebuttal arguments. **(Attachment 5)**

The following persons may write an argument, not exceeding 300 words, for or against the measure:

1. The City Council;
2. Councilmembers authorized by the City Council;
3. Voters eligible to vote on the measure (i.e., a registered voter in the city);
4. A bona fide citizens' association; or
5. Any combination of voters and associations.

An argument cannot be accepted unless it is accompanied by the name(s) of the person(s) submitting it. If an organization submits an argument, it must include the organization's name and the name of at least one principal officer.<sup>5</sup> Only the first five signatures appearing with an argument will be printed on the sample ballot.<sup>6</sup>

The City Clerk must select a reasonable deadline for submitting arguments, taking into account that voters must be allowed to examine the elections material for at least 10 calendar days before printing.<sup>7</sup>

When submitted, one argument for the measure and one argument against the measure must be printed on the sample ballot.<sup>8</sup> If there is more than one argument submitted, the city clerk must select from among them.<sup>9</sup> The City Clerk must give preference and priority to arguments in the following order:

1. The City Council, or Councilmembers authorized by the City Council.
2. A bona fide association of citizens.
3. Individual voters eligible to vote on the measure.

If the City Council adopts the provisions in Elections Code § 9285(a) by majority vote before the election, rebuttal arguments may be included on the sample ballot. If the Council adopts provisions of that section, the following rules apply:<sup>10</sup>

- The City Clerk must send copies of the argument supporting the measure to opponents of the measure, and must send copies of the argument against the measure to measure proponents. Each side is then entitled to submit a rebuttal argument, not exceeding 250 words.<sup>11</sup>

---

<sup>5</sup> Elec. Code §9283.

<sup>6</sup> *Id.*

<sup>7</sup> Elec. Code §§ 9286 and 9295.

<sup>8</sup> Elec. Code §9282.

<sup>9</sup> Elec. Code §9287.

<sup>10</sup> Elec. Code § 9285(b).

<sup>11</sup> Elec. Code § 9285.

**Staff Report – Propositions to be Added to the November 8, 2016, Special Municipal Election**  
**July 25, 2016**  
**Page 7 of 7**

- Rebuttal arguments must be submitted within ten (10) days after the deadline for filing direct arguments. Each rebuttal argument must be printed immediately following the direct argument it seeks to rebut.<sup>12</sup>

**6. Proposed Timeline and Los Angeles County Election Deadlines**

If the City Council places the two measures on the November 8, 2016 ballot, the following timeline would apply:

|                       |  |
|-----------------------|--|
| July 25, 2016         | Approve adding measures to the November 8, 2016, ballot  |
| July 26, 2016         | Post Notice of Deadline for Filing Arguments   |
| August 11, 2016       | Last day to publish/post Notice of Deadline for Filing Arguments   |
| August 12, 2016       | Last day to file a resolution with Board of Supervisors and County elections official requesting consolidation for a ballot measure  |
| August 17, 2016       | Last day to file a resolution with the County elections official and the Board of Supervisors to amend/withdraw a measure previously submitted for placement on the ballot |
| August 19, 2016       | Last day to file Arguments and City Attorney's Impartial Analyses  |
| August 20-29, 2016    | 10-calendar-day public examination period  |
| August 29, 2016       | Last day to file Rebuttal Arguments  |
| Aug 30 – Sept 8, 2016 | 10-calendar-day public examination period  |
| October 9, 2016       | Last day for acquiring entity to disclose information about acquisition to customers, per PUC § 10061(c)(4)  |
| November 8, 2016      | Election Day   |

**ATTACHMENTS**

|  |    |
|--|----|
| 1. Resolution No. 16-47, Proposition to Sell MWS to California-American Water Company .....    | 8  |
| 2. Resolution No. 16-48, Advisory Proposition on Use of Revenue from Sale of MWS .....         | 11 |
| 3. Resolution No. 16-49, Requesting Consolidation with Statewide General Election .....        | 14 |
| 4. Resolution No. 16-50, Providing for City Attorney’s Impartial Analyses of Ballot Measures.. | 23 |
| 5. Resolution No. 16-51, Providing for Filing Written Arguments and Rebuttals .....            | 25 |

<sup>12</sup> *Id.*

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-47**

**A RESOLUTION ADDING A PROPOSITION TO THE BALLOT FOR THE PREVIOUSLY CALLED NOVEMBER 8, 2016, SPECIAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO THE SALE OF THE BELLFLOWER MUNICIPAL WATER SYSTEM TO CALIFORNIA-AMERICAN WATER COMPANY IN ACCORDANCE WITH PUBLIC UTILITIES CODE § 10061**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9222, the City Council places a proposition on the ballot for the special municipal election scheduled for Tuesday, November 8, 2016, as previously established and implemented by City Council Resolution Nos. 15-79, 15-80, and 15-81 adopted on October 12, 2015.

**SECTION 2.** A copy of the proposition to be considered by the voters is attached as Exhibit "A," and incorporated by reference, and is approved by the City Council through adoption of this Resolution.

**SECTION 3.** Pursuant to Elections Code §§ 9222 and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

|  |            |
|--|------------|
| Shall the proposition by the City of Bellflower to sell the Bellflower Municipal Water System to California-American Water Company be adopted? | <b>YES</b> |
|  | <b>NO</b>  |

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 5.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

**Attest:**

\_\_\_\_\_  
**Dan Koops, Mayor**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**Attachment:**

Exhibit A – Full Text of the Ballot Measure

**EXHIBIT A  
FULL TEXT OF THE BALLOT MEASURE**

**A PROPOSITION TO SELL THE BELLFLOWER MUNICIPAL WATER  
SYSTEM TO CALIFORNIA-AMERICAN WATER COMPANY IN  
ACCORDANCE WITH PUBLIC UTILITIES CODE § 10061**

Pursuant to Public Utilities Code § 10061, the Bellflower City Council proposes to sell the Bellflower Municipal Water System (“MWS”) to:

California-American Water Company (“Company”)

This proposition is based upon the written proposal submitted by Company on June 7, 2016, that the City Council considered at a public hearing held on July 25, 2016.

Following the public hearing on July 25, 2016, the City Council finds that Company is best qualified to continue to provide equal or better water service to MWS customers on just and reasonable terms that do not discriminate against MWS customers. This finding is based upon the entirety of the administrative record including, without limitation, the following:

1. Company agrees that it will not raise water rates for existing MWS customers for a period from transaction close through December 31, 2020;
2. Company will provide equal or better customer service than the City and its contractor currently provides through the MWS;
3. Upon voter approval and close of transaction, Company will provide annual Capital Improvement Plan (“CIP”) to City for purposes of coordination and general community knowledge of water operations; and
4. Company will work with Bellflower Somerset Mutual Water Company before, during, and after the transaction to ensure the highest quality water delivery services to customers of the MWS.

Selling the MWS is also in the public interest as it will provide revenue to fund important public projects without the need for additional taxes or financing. Specifically, Company will purchase the MWS for \$17,000,000.00, subject to approval by the California Public Utilities Commission. The City Council anticipates that, after paying for all debt associated with the MWS, it will be able to utilize approximately \$8,800,000.00 to fund various public projects.

Accordingly, the City Council orders that the issue regarding sale of the MWS be submitted to the City of Bellflower’s qualified voters at the previously called November 8, 2016, Special Municipal Election.

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-48**

**A RESOLUTION ADDING AN INITIATIVE MEASURE TO THE BALLOT FOR THE PREVIOUSLY CALLED NOVEMBER 8, 2016, SPECIAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222, FOR THE SUBMISSION TO THE VOTERS AN ADVISORY QUESTION RELATING TO THE EXPENDITURE OF REVENUE RECEIVED BY THE CITY FROM THE SALE OF THE BELLFLOWER MUNICIPAL WATER SYSTEM**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9222, the City Council places an advisory measure on the ballot for the special municipal election scheduled for Tuesday, November 8, 2016, as previously established and implemented by City Council Resolution Nos. 15-79, 15-80, and 15-81 adopted on October 12, 2015.

**SECTION 2.** A copy of the advisory measure to be considered by the voters is attached as Exhibit "A," and incorporated by reference.

**SECTION 3.** Pursuant to Elections Code §§ 9222, 9603, and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

|   |            |
|---|------------|
| <b>ADVISORY VOTE ONLY</b><br><br>Shall the advisory proposition advising the City of Bellflower regarding the expenditure of revenue received by the City from the sale of the Municipal Water System be adopted? | <b>YES</b> |
|   | <b>NO</b>  |

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 5.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE  
CITY OF BELLFLOWER ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
**Dan Koops, Mayor**

**Attest:**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**Attachment:**

Exhibit A – Full Text of the Advisory Ballot Measure

**EXHIBIT A  
FULL TEXT OF THE BALLOT MEASURE**

**ADVISORY VOTE ONLY**

**A PROPOSITION ADVISING THE CITY OF BELLFLOWER  
REGARDING THE EXPENDITURE OF REVENUE RECEIVED BY THE  
CITY FROM THE SALE OF THE BELLFLOWER MUNICIPAL WATER  
SYSTEM**

This proposition is an advisory measure that states the City of Bellflower's voters' intent that any revenue received by the city of Bellflower as a result of selling the Bellflower Municipal Water System be spent on the public projects identified below. Expending monies for these public projects will help fill funding shortfalls identified in the 2016 Los Angeles County Comprehensive Parks and Recreation Needs Assessment and economic development priorities.

The City Council may exercise its discretion in both prioritizing and funding these public projects based upon good cause:

- Provides funds for the construction of an artificial turf competition soccer field at Simms Park;
- Provides funds for a new grass practice soccer field at Caruthers Park or Thompson Park;
- Provides funds for rehabilitation of playground equipment at Caruthers, Constitution, and Thompson Parks;
- Provides funds for construction of a 300+ vehicle parking structure in the Town Center;
- Provides \$1,600,000 to complete funding for the Bellflower Events Center and Fire Museum; and
- Provides partial funding for land acquisition needed to redevelop the east side of Bellflower Boulevard, between Artesia Boulevard and Ramona Street.

Sales revenue should not be used by the City Council for general municipal purposes including, without limitation, ongoing public employee salaries. The City may, however, spend a reasonable amount of the sales revenue for administrative costs directly related to implementing the public projects listed above.

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-49**

**A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ADD TWO MEASURE CONTESTS TO THE PREVIOUSLY CONSOLIDATED SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO ELECTIONS CODE § 10403**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** The City Council finds as follows:

A. The City Council called a special municipal election for the purpose of considering a ballot measure and obtained consent from the Board of Supervisors of the County of Los Angeles to consolidate such election to be held with the Statewide General Election on November 8, 2016.

B. The City Council now desires to add two measure contests to the previously called and consolidated special municipal election to be held on November 8, 2016.

**SECTION 2.** Pursuant to the requirements of California Elections Code section 10403, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of an additional measure contest and advisory measure on the ballot for the special municipal election consolidated with the statewide general election on Tuesday, November 8, 2016.

**SECTION 3.** A measure is to appear on the ballot as follows:

|  |            |
|--|------------|
| Shall the proposition by the City of Bellflower to sell the Bellflower Municipal Water System to California-American Water Company be adopted? | <b>YES</b> |
|  | <b>NO</b>  |

**SECTION 4.** An advisory measure is to appear on the ballot as follows:

|  |            |
|--|------------|
| <b>ADVISORY VOTE ONLY</b><br><br>Shall the advisory proposition advising the City of Bellflower regarding the expenditure of revenue received by the City for the sale of the Municipal Water System be adopted? | <b>YES</b> |
|  | <b>NO</b>  |

**SECTION 5.** The complete text of the proposed ballot measure to be submitted to the voters is attached as Exhibit A, Full Text of the Ballot Measure (Resolution No. 16-47). The complete text of the proposed advisory ballot measure to be submitted to the voters is attached as Exhibit B, Full Text of the Advisory Ballot Measure (Resolution No. 16-48).

**SECTION 6.** The vote requirement for the proposed ballot measures to pass is a majority (50% + 1) of the votes cast.

**SECTION 7.** The County election department is authorized to canvass the returns of the special municipal election. The election shall be held in all respects as if there were only one election and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide or special election.

**SECTION 8.** The Board of Supervisors is requested to issue instructions to the County election department to take any and all steps necessary for the holding of the consolidated election.

**SECTION 9.** The City of Bellflower recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

**SECTION 10.** The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County election department of the County of Los Angeles.

**SECTION 11.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 12.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 13.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
**Dan Koops, Mayor**

**Attest:**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**Attachment:**

Exhibit A – Full Text of the Ballot Measure (Resolution No. 16-47)  
Exhibit B – Full Text of the Advisory Ballot Measure (Resolution No. 16-48)

**EXHIBIT A**

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-47**

**A RESOLUTION ADDING A PROPOSITION TO THE BALLOT FOR THE PREVIOUSLY CALLED NOVEMBER 8, 2016, SPECIAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO THE SALE OF THE BELLFLOWER MUNICIPAL WATER SYSTEM TO CALIFORNIA-AMERICAN WATER COMPANY IN ACCORDANCE WITH PUBLIC UTILITIES CODE § 10061**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9222, the City Council places a proposition on the ballot for the special municipal election scheduled for Tuesday, November 8, 2016, as previously established and implemented by City Council Resolution Nos. 15-79, 15-80, and 15-81 adopted on October 12, 2015.

**SECTION 2.** A copy of the proposition to be considered by the voters is attached as Exhibit "A," and incorporated by reference, and is approved by the City Council through adoption of this Resolution.

**SECTION 3.** Pursuant to Elections Code §§ 9222 and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

|  |            |
|--|------------|
| Shall the proposition by the City of Bellflower to sell the Bellflower Municipal Water System to California-American Water Company be adopted? | <b>YES</b> |
|  | <b>NO</b>  |

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 5.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
Dan Koops, Mayor

Attest:

\_\_\_\_\_  
Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Karl H. Berger, City Attorney

Attachment:

Exhibit A – Full Text of the Ballot Measure

**EXHIBIT A  
FULL TEXT OF THE BALLOT MEASURE**

**A PROPOSITION TO SELL THE BELLFLOWER MUNICIPAL WATER  
SYSTEM TO CALIFORNIA-AMERICAN WATER COMPANY IN  
ACCORDANCE WITH PUBLIC UTILITIES CODE § 10061**

Pursuant to Public Utilities Code § 10061, the Bellflower City Council proposes to sell the Bellflower Municipal Water System (“MWS”) to:

California-American Water Company (“Company”)

This proposition is based upon the written proposal submitted by Company on June 7, 2016, that the City Council considered at a public hearing held on July 25, 2016.

Following the public hearing on July 25, 2016, the City Council finds that Company is best qualified to continue to provide equal or better water service to MWS customers on just and reasonable terms that do not discriminate against MWS customers. This finding is based upon the entirety of the administrative record including, without limitation, the following:

1. Company agrees that it will not raise water rates for existing MWS customers for a period from transaction close through December 31, 2020;
2. Company will provide equal or better customer service than the City and its contractor currently provides through the MWS;
3. Upon voter approval and close of transaction, Company will provide annual Capital Improvement Plan (“CIP”) to City for purposes of coordination and general community knowledge of water operations; and
4. Company will work with Bellflower Somerset Mutual Water Company before, during, and after the transaction to ensure the highest quality water delivery services to customers of the MWS.

Selling the MWS is also in the public interest as it will provide revenue to fund important public projects without the need for additional taxes or financing. Specifically, Company will purchase the MWS for \$17,000,000.00, subject to approval by the California Public Utilities Commission. The City Council anticipates that, after paying for all debt associated with the MWS, it will be able to utilize approximately \$8,800,000.00 to fund various public projects.

Accordingly, the City Council orders that the issue regarding sale of the MWS be submitted to the City of Bellflower’s qualified voters at the previously called November 8, 2016, Special Municipal Election.

**EXHIBIT B**

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-48**

**A RESOLUTION ADDING AN INITIATIVE MEASURE TO THE BALLOT FOR THE PREVIOUSLY CALLED NOVEMBER 8, 2016, SPECIAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222, FOR THE SUBMISSION TO THE VOTERS AN ADVISORY QUESTION RELATING TO THE EXPENDITURE OF REVENUE RECEIVED BY THE CITY FROM THE SALE OF THE BELLFLOWER MUNICIPAL WATER SYSTEM**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9222, the City Council places an advisory measure on the ballot for the special municipal election scheduled for Tuesday, November 8, 2016, as previously established and implemented by City Council Resolution Nos. 15-79, 15-80, and 15-81 adopted on October 12, 2015.

**SECTION 2.** A copy of the advisory measure to be considered by the voters is attached as Exhibit "A," and incorporated by reference.

**SECTION 3.** Pursuant to Elections Code §§ 9222, 9603, and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

|   |            |
|---|------------|
| <b>ADVISORY VOTE ONLY</b><br><br>Shall the advisory proposition advising the City of Bellflower regarding the expenditure of revenue received by the City from the sale of the Municipal Water System be adopted? | <b>YES</b> |
|   | <b>NO</b>  |

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 5.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE  
CITY OF BELLFLOWER ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
**Dan Koops, Mayor**

**Attest:**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**Attachment:**

Exhibit A – Full Text of the Advisory Ballot Measure

**EXHIBIT A  
FULL TEXT OF THE BALLOT MEASURE**

**ADVISORY VOTE ONLY**

**A PROPOSITION ADVISING THE CITY OF BELLFLOWER  
REGARDING THE EXPENDITURE OF REVENUE RECEIVED BY THE  
CITY FROM THE SALE OF THE BELLFLOWER MUNICIPAL WATER  
SYSTEM**

This proposition is an advisory measure that states the City of Bellflower's voters' intent that any revenue received by the city of Bellflower as a result of selling the Bellflower Municipal Water System be spent on the public projects identified below. Expending monies for these public projects will help fill funding shortfalls identified in the 2016 Los Angeles County Comprehensive Parks and Recreation Needs Assessment and economic development priorities.

The City Council may exercise its discretion in both prioritizing and funding these public projects based upon good cause:

- Provides funds for the construction of an artificial turf competition soccer field at Simms Park;
- Provides funds for a new grass practice soccer field at Caruthers Park or Thompson Park;
- Provides funds for rehabilitation of playground equipment at Caruthers, Constitution, and Thompson Parks;
- Provides funds for construction of a 300+ vehicle parking structure in the Town Center;
- Provides \$1,600,000 to complete funding for the Bellflower Events Center and Fire Museum; and
- Provides partial funding for land acquisition needed to redevelop the east side of Bellflower Boulevard, between Artesia Boulevard and Ramona Street.

Sales revenue should not be used by the City Council for general municipal purposes including, without limitation, ongoing public employee salaries. The City may, however, spend a reasonable amount of the sales revenue for administrative costs directly related to implementing the public projects listed above.

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-50**

**A RESOLUTION DIRECTING THE CITY ATTORNEY TO PREPARE IMPARTIAL ANALYSES OF THE TWO ADDITIONAL BALLOT MEASURES REGARDING THE SALE OF THE BELLFLOWER MUNICIPAL WATER SYSTEM**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9280, the City Clerk is directed to transmit copies of the ballot measures regarding the sale of the Bellflower Municipal Water System to the City Attorney for impartial analyses.

**SECTION 2.** Upon receiving the ballot measures, the City Attorney is directed to prepare an impartial analysis of each of the proposed ballot measures showing their effect, if any, on existing law and the operation of the measures. Such analyses must not be more than 500 words.

**SECTION 3.** The impartial analyses must include a statement indicating whether the proposed measures were placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.

**SECTION 4.** In the event the entire text of the measures is not printed on the ballot, nor in the voter information portion of the sample ballot, there must be printed immediately below each impartial analyses, in not less than 10 point bold type, the City Clerk should have the following language printed: "The above statement is an impartial analysis of the proposed ballot measures (Resolution Nos. 16-47 and 16-48). If you desire a copy of the legislation affected by these measures, please call the City Clerk's office at (562) 804-1424, extension 2222, and a copy will be mailed at no cost to you."

**SECTION 5.** The impartial analyses of the proposed ballot measures must be filed by the date set by the City Clerk for the filing of primary arguments.

**SECTION 6.** Pursuant to 42 U.S.C. § 1973aa-1a., the City Clerk will:

- A. Translate the City Attorney's analyses into Spanish, Korean, Tagalog, and Khmer; and
- B. Make translated copies of the City Attorney's analyses publicly available.

**SECTION 7.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 8.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 9.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
**Dan Koops, Mayor**

**Attest:**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**

**CITY OF BELLFLOWER**

**RESOLUTION NO. 16-51**

**A RESOLUTION ESTABLISHING REQUIREMENTS FOR BALLOT ARGUMENTS FILED WITH THE CITY CLERK TO BE INCLUDED WITH VOTER INFORMATION FOR A SPECIAL MUNICIPAL ELECTION ON NOVEMBER 8, 2016**

**THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.** Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measures, in addition to rebuttal arguments, for the November 8, 2016, Special Municipal Election on forms provided by the City Clerk.

**SECTION 2.** Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code §§ 9282, 9283, 9285, and 9286:

- A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal argument which may not exceed two hundred and fifty (250) words;
- B. Arguments may be submitted by the City Council; any councilmember authorized to submit an argument by the City Council; any individual voter eligible to vote on the measures; any bona fide association of citizens; or any combination of voters and associations;
- C. Arguments must be typewritten in at least a 12 point font;
- D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;
- E. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.
- F. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.
- G. Arguments for or against the ballot measures must be received in the City Clerk's office not later than August 19, 2016 [88 days before election]. Rebuttal arguments must be received not later than August 29, 2016 [10 days after initial arguments].

**SECTION 3.** Pursuant to 42 U.S.C. § 1973aa-1a., the City Clerk will:

- A. Translate the ballot arguments into Spanish, Korean, Tagalog, and Khmer;  
and
- B. Make translated copies of ballot arguments publicly available.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**SECTION 5.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6.** This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
**Dan Koops, Mayor**

**Attest:**

\_\_\_\_\_  
**Mayra Ochiqui, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Karl H. Berger, City Attorney**