

9/27/2001

MINUTES
August 9, 2001

Present Commissioners: Robert E. Hird, Chair
Bob Buster, Vice Chair
Marion V. Ashley
Terry Henderson
Robin Lowe
Jack McFadden

Absent: John Tavaglione

Present Staff: George J. Spiliotis, Executive Officer
Wayne Fowler, Illustrator/Analyst
Elena G. Medina, Staff Assistant
Joe S. Rank, Legal Counsel

1. **CALL TO ORDER AND SALUTE TO THE FLAG.**

The meeting was called to order at 9:05 a.m.

2. **APPROVAL OF MINUTES OF JUNE 28, 2001.**

The minutes were approved as presented.

3. **HEARINGS:**

Consent:

- a. LAFCO 2001-05-1-Annexation 18 to County Service Area 132.
(Continued from June 28, 2001) (Applicant requests a
continuance to October 25, 2001)

Moved (Lowe) seconded (Buster) to continue LAFCO
2001-05-1-Annexation 18 to County Service Area 132
to October 25, 2001.

6/0 (Tavaglione absent)

- b. LAFCO 2001-07-1-Reorganization to Include Concurrent
Annexations to Rancho California Water District, Eastern
Municipal Water District and the Metropolitan Water
District of Southern California.

Moved (Lowe) seconded (Buster) to approve LAFCO 2001-
07-1-Reorganization to Include Concurrent
Annexations to Rancho California Water District,
Eastern Municipal Water District and the
Metropolitan Water District of Southern California.

6/0 (Tavaglione absent)

- c. LAFCO 2001-08-1-Annexation 46 to County Service Area 103.
Moved (Lowe) seconded (Buster) to approve Annexation 46 to County Service Area 103.
6/0 (Tavaglione absent)
- d. LAFCO 2001-09-3-Annexation 71 to County Service Area 143.
Moved (Lowe) seconded (Buster) to approve Annexation 71 to County Service Area 143.
5/0 (Tavaglione absent) (Ashley No)
- e. LAFCO 2001-10-3-Annexation 47 to County Service Area 103.
Moved (Lowe) seconded (Buster) to approve Annexation 71 to County Service Area 143.
6/0 (Tavaglione absent)

Continued:

- f. LAFCO 2000-06-3-Reorganization to Include Annexation 94-ANX-6 to the City of Beaumont, and Concurrent Detachments from the Riverside County Waste Resources Management District and County Service Area 152. **(Continued from January 25, 2001) (Staff recommends continuance to January 24, 2002)**
Moved (Ashley) seconded (Buster) to continue LAFCO 2000-06-3-Reorganization to Include Annexation 94-ANX-6 to the City of Beaumont, and Concurrent Detachments from the Riverside County Waste Resources Management District and County Service Area 152 to January 24, 2002.
6/0 (Tavaglione absent)
- g. LAFCO 2001-06-4-Reorganization to Include Annexation 80 to the City of Indio and Concurrent Detachment from the Riverside County Waste Resources Management District **(Continued from June June 28, 2001)**

Mr. Fowler stated that the Commission at the previous meeting had appointed a Sub-Committee to meet with representatives of the City of Indio, the Coachella Valley Water District, and the landowner. He said that due to pending litigation the meeting did not take place.

Mr. Fowler also stated that the Commission had asked for clarification regarding the 10 acres on the westside of the annexation. He said that a map outlining the 10 acres was included in the staff report.

Commissioner Ashley stated that because of the pending litigation he was unable to meet with the concerned parties.

Therefore, he was proposing a possible solution to this matter. He felt that it was not in the best interest of the rate-paying or tax-paying public that this matter be held in court. He also stated that everyone needed to look at the whole picture. He proceeded to read his proposal calling for a voluntary mediation as an alternative to the recommended condition and presented the Commission with a copy.

Commissioner Ashley asked Counsel if the Commission had the authority to choose the entity who will serve water.

Mr. Rank responded that LAFCO did not have the authority to designate a specific agency to provide the service.

Commissioner Lowe stated that she had a problem with holding up the applicant. She stated that Commissioner Ashley and her made their schedules available to meet with both sides, but both sides wanted to meet with the Commissioners individually. She did not feel that this was a fair situation because the applicants had to wait both financially and economically because a decision had not been made. She believed that it was time for the Commission to cast their votes.

Commissioner Henderson suggested that they get on with the application at hand and to let the agencies settle this case.

Chair Hird opened up a public hearing.

The Following Spoke In Favor of the Proposal:

Keith Solar, counsel for the City of Indio, 550 West "C" St., 19th Floor, San Diego, CA 92101.

Terry Hagen, Director of Public Works, City of Indio, 16640 Valle Vista Way, Riverside, CA 92506.

Sam Alhadeff, City Attorney for the City of Indio, 48460 Ridge Park Drive, #220, Temecula, CA 92594.

Emily Hemphill, Applicant's Attorney, 777 Tahquitz, Suite 328, Palm Springs, CA 92262.

Commissioner McFadden stated that there was a concern at the last meeting regarding the area of development. He wanted to know if that had been resolved.

Ms. Hemphill responded that it had been resolved.

Commissioner McFadden asked Mr. Spiliotis if he was satisfied with this?

Mr. Spiliotis responded, yes and explained in detail.

The Following spoke In Opposition:

Gerry Shoaf, Attorney for Coachella Valley Water District, 1950 Market Street, Riverside, CA 92501.

Dan Parks, P. O. Box 1058, Coachella, CA 92236, Director of Engineering, Coachella Valley Water District.

Chair Hird closed the public hearing.

Commissioner Ashley suggested that they proceed under the agreement that he proposed. He moved for approval of the annexation with the conditions outlined by the staff and the deletion of 4c. Substituting this condition with the agreement that was read into the record earlier.

Chair Hird seconded the motion.

Commissioner McFadden asked Mr. Rank if he had a conflict of interest regarding this proposal.

Mr. Rank responded that there was no conflict of interest, that this was statutorily defined. Mr. Rank stated that Commissioner McFadden was allowed to participate in any of the proceedings whether they involve his jurisdiction or not.

Commissioner Lowe commented that it was important for everyone to remember that they were acting upon an application that was in front of them and not a bigger picture. She stated that they were not making a determination about the future of water in the Coachella Valley.

Commissioner Henderson stated that she supported the motion that was on the floor.

Moved (Ashley) seconded (Hird) to approve LAFCO 2001-06-4-Reorganization to Include Annexation 80 to the City of Indio and Concurrent Detachment from the Riverside County Waste Resources Management District, as recommended by staff with the deletion of item 4c, substituting this condition with the agreement that was read into the record by Commissioner Ashley.

6/0 (Tavaglione absent)

The Commissioner decided to take item 11 at this time.

11. REQUEST FOR WAIVER/REDUCTION OF FEE - COI NO. 16. - LAKE MATHEWS.

Moved (Buster) seconded (Ashley) to approve Request for Waiver/Reduction of Fee for COI No. 16 - Lake Mathews.

6/0 (Tavaglione absent)

- h. LAFCO 2001-03-1-Reorganization to Include Concurrent Annexation 90 to the City of Riverside & Detachment from the Riverside County Waste Resources Management District.

Mr. Spiliotis presented the proposal. He also went over the survey results conducted by the City indicating that area residents were interested in finding out more information on annexation. No follow up had been done by the City.

Commissioner Buster stated that there was a lack of circulation because there had not been adequate joint planning between the City and the County in that area. He felt that it would be a lot simpler if there was one jurisdiction and a decision was made for the entire area. He said that the residents and property owners in the blue areas were willing to consider it. He stated that with what the City was recommending, it did not guarantee that those areas will be annexed.

Chair Hird opened the Public Hearing.

Jeff Belier, 3900 Main Street, Riverside, CA 92522, Senior Planner for the City of Riverside. He said that the City was now prepared to move ahead with a larger annexation as soon as possible. He said that there was a lot of support from the people that lived in that new tract. He said that they were opposed to the condition that would require annexing the remainder of the area prior to completing the annexation that they were now considering. He said that they were also opposed to providing services to areas within the County prior to annexation.

Commissioner Buster said he could not support any more annexations in this area without including the entire blue area. He stated that LAFCO was here to avoid this.

Mr. Belier responded that all he could say was that they were now willing to aggressively go after annexation of the blue area. He said that he did not know about the area in between the annexation because there were a lot of people that strongly oppose to being annexed to the City of Riverside.

Mr. Belier said that they would like to replace the two conditions in the staff recommendation, items d.i. and ii. with a condition saying that they would immediately initiate an annexation request for this area.

Commissioner Buster stated that this was better than nothing, that it would open the possibility that only fragments of this area would be annexed into the City that would create the very kind of service and planning difficulties that LAFCO was suppose to try to avoid.

Commissioner McFadden asked Commissioner Buster if he would prefer to deny this particular application.

Commissioner Buster stated that he did not want to deny the application. He suggested that this application be contingent on the blue areas being annexed into the City.

Commissioner Ashley stated that if they try to annex the entire area at one time and it did not work, then they would have to come back and let the green area annex. He said that in the mean time, the people in the green area were being held hostage. He suggested going towards a condition where they approve the annexation, but the annexation can't be recorded until an application for the rest of the properties was processed. He said that this will give them a chance to deal with it and let those folks vote to see if they want to be in the City or not. He said he wanted something where the City will not take their sweet time in getting this issue back to the Commission.

Commissioner Buster stated that was what he would like to see. He asked Mr. Spiliotis to explain his suggestion for providing services in the interim.

Mr. Spiliotis stated that this was a condition that had been applied in several circumstances. He said that this was an opportunity for the City to sell their services. He said that the recommendation included that the City would provide the services for a fixed period of time. He said that this way, if the residents turn down the annexation, they will not get the City services forever. He said that there was some incentive both ways.

Commissioner Buster said that this would certainly maximize the chances of all the folks in the area to look at annexing to the City favorably and it would also be an investment well spent.

Commissioner Buster stated that they can't give residents what they want individually because they will end up with boundaries that were a mess. He asked Mr. Belier how could they avoid this.

Mr. Belier responded that they were willing to go ahead with a community meeting. He felt that now would be a good time to annex because they had a significant amount of support. They were now willing to go ahead with the public hearings and initiate the annexation process.

Tripp Hord, 59 Lamark Drive, Riverside, CA. He said he represented the Regent Communities in this matter. He stated that Bill Dohr with the Regent Communities and Ed Sloman from KWC Engineers were also present. He stated that this was the last developable piece of property in this area. He felt that

this area will enjoy a higher level of urban services as a result of this annexation. He said that the developer was ready to continue with the final engineering work and provide new housing in this area. He asked that the Commission consider Commissioner Ashley's recommendation and allow this particular project to obtain approval contingent upon the filing of the new application.

Commissioner Buster moved to approve the annexation contingent that the City annex the blue area.

Mr. Spiliotis wanted to warn the commission that once they approve the proposal with a condition, they cannot come back and amend or remove a condition unless it was within that 30-day reconsideration period. He said that once they approve something, it was there and the only way around it was to wait until the proposal expired, which would be a year after the commission approved it.

Mr. Sloman stated that he would like the proposal to be approved with an a, b, c outline where if something did not happen in a positive fashion that they could go ahead and file the Certificate of Completion.

Mike Munarretto, 6350 Hawarden Drive. He stated that originally when Herold Ranch was brought into the City for a period of a couple years he tried to meet with the City. He said he was in the process of getting a tentative map on his 40 acres. He said he did not know if he was for this or against this because he had spent a lot of money for the process of putting the map through. He just came to the meeting to see what was happening.

Mr. Spiliotis clarified that Mr. Munarretto did not want to start the process from scratch.

IN OPPOSITION:

Mr. Joe Aklufi, 6723 Canyon Hill Drive, Riverside, CA. He said he was in favor of the annexation because he did not want to see the property owner held up. However, he felt that staff's condition will not solve the problem. He said that as a property owner, he was interested in the preservation of the Arroyo System.

Rochelle Murphy, 18730 Roberts Road, Woodcrest, CA. She stated that they don't want to be annexed. They want to remain rural and they don't want the congestion that the city urbanization was bringing in.

REBUTTAL:

Mr. Hord went over the condition suggested by Mr. Sloman and said that his recommendation was to follow Commissioner

Ashley's recommendation and staff's recommendation which will require the City to apply to annex the blue area prior to the filing of the Certificate of Completion. He stated that they were available to answer any questions.

Chair Hird closed the Public Hearing.

Commissioner Buster stated that the blue area was the only property that can sneak out of the annexation without damaging the chances and the options to the rest of the area. He moved to approve the annexation contingent upon the City filing their annexation request for the entire blue area. He also wanted to make sure that the road improvements that were going to take place with the annexation don't adversely affect the rest of the blue area.

Commissioner McFadden asked Commissioner Buster if he was going to place a time limit on this issue.

Commissioner Buster responded that whatever time was feasible.

Mr. Spiliotis stated that the conditions had to be geared toward completion. He said that whatever the Commission required had to be completed before the certificate of completion can be recorded. He said that he was concerned with the second part of the condition regarding roads.

Commissioner Buster stated that this condition will be taken out and will let this annexation go forward. However, he will personally vote against any future annexations in that area without the whole area annexing into the City of Riverside.

Commissioner Lowe commented that she did not want to hold the applicant hostage. She said that this can go on indefinitely, yet they could always pull it out and never act upon it.

Commissioner Buster stated that the applicant was agreeing to the condition that the applicant will file an application.

Commissioner Lowe stated that she was not sure that they were going to file. She asked Mr. Hord if they were willing to wait until the City of Riverside file an application for annexation of the blue area.

Mr. Hord responded that they believed, based on their discussion with City Staff, Planning Director, Deputy City Manager that the City will initiate pre-zoning and CEQA actions on the blue area immediately upon the conclusion of this hearing. He said that the annexation application that would be filed with LAFCO could occur as soon as the CEQA process was concluded within the next 90 to 120 days. He also stated that there would be a community meeting held to inform the blue area residents about the potential annexation that will go forward.

Commissioner Lowe asked if the City Council had agreed to this publicly.

Mr. Hord stated that this was a risk they were willing to take at this time.

Mr. Sloman stated that they wanted in the stipulation that at least there had been initiation at the city level to move forward with the annexation of the blue area.

Commissioner Lowe stated that this contingency was not in the recommendation.

Commissioner Lowe said that if Riverside should decide not to move forward with the annexation, they will have nothing and the Commission will have done nothing for the applicant. She also stated that the road situation at Alessandro and Trautwein Road was an accident waiting to happen. She felt that the only thing they can do was to approve the annexation. However, they needed to look at the rest of the annexations for the City of Riverside because the policy of this Commission was not to allow stuff like the blue area to happen again.

Chair Hird asked if the motion was to be amended.

Commissioner Lowe amended the motion to approve the annexation of the green area to the City of Riverside without being dependent on the rest of the staff recommendation and filing of the annexation of the blue area.

Moved (Lowe) Seconded (Buster) to approve LAFCO 2001-03-1-Reorganization to Include Concurrent Annexation 90 to the City of Riverside & Detachment from the Riverside County Waste Resources Management District without the recommended conditions previously discussed.

- i. Request for reconsideration of LAFCO Resolution 19-01-Approving the Proposed Reorganization to include Annexation 51 to the City of Coachella and Concurrent Annexation to the Coachella Fire Protection District (subsidiary) and the Coachella Sanitary District (subsidiary) Detachment from the Riverside County Waste Resources Management District - LAFCO 2000-24-4.
- j. Request for Reconsideration of LAFCO Resolution 20-01-Amending the Sphere of Influence of the City of Coachella - LAFCO 2000-26-4.

Chair Hird stated that since these were both re-considerations of previous meetings he would like to hear only what was new in their request for reconsideration.

Mr. Spiliotis stated that there was no additional staff analysis or a presentation. However, Staff had received correspondence, which was in their folders in support of the City from the Cities of Desert Hot Springs Cathedral City and the City of Indio.

Chair Hird opened the Public Hearing.

Lupe Dominguez, Mayor for the City of Coachella. Mayor Dominguez introduced Council Member, Juan DeLara and their City Attorney Steve Quintanilla.

Juan Delara, Council Member, City of Coachella. He said he was in support of the annexation because it will bring revenue to their City to improve the living standards.

Steve Quintanilla, City Attorney for the City of Coachella. He said he was also representing the Coachella Sanitary District and the Fire Protection District as well. He said he wanted to present new facts and information that he believed were not properly presented at the last hearing that supported their request for reconsideration. He stated that the majority of their issues had already been addressed by Commissioner Ashley's recommendation. He pointed out that they were asking for reconsideration for the actual boundaries that were approved at the last public hearing. He asked that they reconsider the northern boundary above interstate 10.

Commissioner Ashley stated that they could also reach an agreement with a similar proposal as the previous annexation. He said that the agency that could most efficiently provide the service for the ratepayers and the taxpayers should do it. He suggested that they get together and see who that agency will be and if they can't do this within 90 days then submit it to a non-binding arbitrator and work it out. He suggested that they work this out quickly and not to drag it out.

Commissioner Ashley asked if Mr. Quintanilla was willing to follow with the proposed recommendation.

Mr. Quintanilla responded in the affirmative and as City's Counsel he had full authority to accept this recommendation.

Mr. Quintanilla stated that they were neighbors with CVWD and they will work together as they had in the past.

Mr. Gary Werner, 100 Civic Center Mall, India, CA 92201. He stated that he had a letter from the City of Indio expressing their support to the City of Coachella.

Mr. Dwight McNaughton, 1909 Norwish, Bakersfield, CA 93311. Mr. McNaughton stated that he was representing Desert Lakes. He wanted to make it clear to each Commissioner where

their property was actually located and proceeded to show them on the map the location of the property. He also stated that not all of the property was his. He said that the property was brought in so that an island would not be created. He reiterated that they wholeheartedly supported Commissioner Ashley's recommendation.

Gerry Shoaf, 1950 Market St., Riverside, CA 92501. He said he was the Attorney for the Coachella Valley Water District. He said that the area that was subject to annexation was within the CVWD service area since 1917. He cited the case Glenbrook Development Company vs. The City of Brea which was an appellate Court decision. He said that they were willing to work out the proposed agreement by Commissioner Ashley and were looking forward to those discussions.

Dan Parks, Director of Engineering for the Coachella Valley Water District. He said that CVWD were authorized to serve that area today. He said that the District was not in opposition to the annexation only to the agency providing the service. He reviewed a couple of issues that were raised in Mr. Quintana's letter and the grounds he gave to support reconsideration in paragraph 3. a-e. He said he was looking forward to working with the City on this issue.

Chair Hird closed public hearing.

Commissioner Lowe commended the leadership that was occurring in the City of Coachella.

Commissioner Henderson stated that she continued to support the annexation except for the two sections to the southeast. She came away from that last meeting with the sense that there was some confusion in the area that they had eliminated. She stated that this had not been part of that specific plan. She thinks that the entire area was a specific plan and the assessment will be divided up to help pay for these services.

Commissioner Ashley stated that he understood that the application had the support of supervisor Wilson as well.

- i. Moved (Ashley) seconded (Lowe) to approve LAFCO 2000-24-4-Reorganization to include Annexation 51 to the City of Coachella and Concurrent Annexation to the Coachella Fire Protection District (subsidiary) and the Coachella Sanitary District (subsidiary) Detachment from the Riverside County Waste Resources Management District as recommended by staff with the deletion of item 4.c that pertains to the provider of water and sewer services which will be replaced by the proposed mediation recommended by Commissioner Ashley.
5/1 (Tavaglione absent) (McFadden No)

- j. Moved (Ashley) seconded (Lowe) to approve LAFCO 2000-26-4-Sphere of Influence of the City of Coachella was approved as requested.
5/1 (Tavaglione absent) (McFadden No)

5. **POLICY ON PUBLIC HEARING NOTICE.**
(Continued from June 28, 2001)

Moved (Lowe), seconded (Hird) to approve Policy on Public Hearing Notice as recommended by staff.
6/0 (Tavaglione absent)

6. **AGREEMENT FOR SERVICES WITH COUNTY OF RIVERSIDE.**

Moved (Lowe) seconded (McFadden) to approve Agreement for Services with County of Riverside as recommended by staff.
6/0 (Tavaglione absent)

7. **CREATION OF POSITIONS.**

Mr. Spiliotis stated that the report was consistent with what they had reviewed in the budget. He said that everyone had received the revisions after the original report was sent out. He said that rather than amend the existing class and salary listings, they created new ones as suggested by the Human Resources staff. He said that all of the actions will be put in resolution form for further approval by the Chair. He said that Human Resources had also established an authorized position control list, which indicated the positions and salary ranges. He said that the effective date will be the beginning of the next pay period. He thanked and complimented the staff of County Human Resources, especially Anne Merrill.

Moved (Lowe) seconded (Ashley) to approve the Creation of Positions as recommended by staff.
6/0 (Tavaglione absent)

8. **LAFCO OFFICE SPACE LEASE EXTENSION.**

Commissioner Lowe Asked Mr. Spiliotis if he had talked to the owners about a longer lease term commitment by LAFCO to that office space.

Mr. Spiliotis responded that the Ad Hoc Budget Committee had requested some information when they were reviewing the budget. He said he put in a request because it all coincided with the expiration of the current extension. He said that Building Services, in their discussions with the building owner and after the end of this 18-month extension, they will be willing to enter into another five-year lease at approximately \$1.00 per square foot.

Commissioner Lowe asked if this issue can be included in the extension now. She stated that when the new annex building started, LAFCO was supposed to be part of the government center. However, because of space constraints, they had now been moved into the County building. She said that it had been expressed to her by several cities that they would object to LAFCO moving into a County building because it would appear to be a County facility. She said that LAFCO had now such a good location that there was no reason to move. She said that it was easy for staff and public to access and it was also cheaper. She said she would like to amend the motion to approve it as written, but to instruct the Executive Officer to move forward with an option of a five-year lease at this location. This way, they could come back with an amendment to this agreement.

Move (Lowe) seconded (Hird) to approve the LAFCO Office Space Lease Extension and to give Mr. Spiliotis the authority to negotiate an option for a five-year lease extension.

9. **APPOINTMENT OF NEW BOARD MEMBERS TO THE CHERRY VALLEY COI AND CABAZON COI.**

Moved (Ashley) seconded (Hird) to approve Appointment of New Board Members to the Cherry Valley COI and Cabazon COI.
6/0 (Tavaglione absent)

10. **NOMINATIONS FOR THE CALAFCO EXECUTIVE BOARD.**

Commissioner Henderson moved to nominate Commissioner Lowe.

Mr. Spiliotis commented that Commissioner Lowe was currently appointed to a short term and her term was now coming up.

Moved (Henderson) seconded (Ashley) to approve the Nomination of Commissioner Robin Lowe to the CALAFCO Executive Board.

The Commission recessed at 11:30 for Executive Session.

4. **EXECUTIVE SESSION:**

LITIGATION:

With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

Subdivision (a) of Section 54956.9

- a. Consideration of Executive Officer compensation.

The Commission reconvened at 12:10 p.m.

Mr. Rank stated that the action taken in Executive Session was to establish a range for the Executive Officer. He said that the Executive Officer was directed to provide that range consistent with the County existing salary structure and the Chairman of the Commission was authorized to sign the Resolution.

12. INFORMATION ITEMS: Proposals Received (56857, 56751)

The Commission acknowledged six proposals received as information items.

**13. ESTABLISH DATE FOR NOVEMBER/DECEMBER 2001 MEETING.
(BOARD OF SUPERVISORS MEETING ROOM AVAILABLE DECEMBER
6, DECEMBER 13, 2001).**

The Commission agreed to meet on Monday, December 17, 2001 for the November/December meeting.

14. MISCELLANEOUS STAFF REPORTS.

Mr. Spiliotis stated he would like the Commission to establish a policy to do minor sphere adjustments without having to go through the service reviews. He said that there was a service review requirement before they can do any sphere update or amendment. He said that there had been some discussion among the Executive Officers whether or not they could do minor adjustments. However, no one had been willing to step forward. Regarding service reviews, he suggested doing a service review for water and sewer services separate from everything else to kind of set the tone and provide the basis for all the other service reviews.

Commissioner Henderson suggested getting it on paper detailing the location of each area.

Mr. Spiliotis stated that the service reviews were supposed to identify everything from demographic projections to infrastructure capability.

15. **PUBLIC COMMENTS.**

There were no public comments.

16. **ADJOURNMENT.**

The Commission adjourned at 12:20 p.m.

Respectfully,

George J. Spiliotis
Executive Officer