

6/28/2001

## MINUTES

May 24, 2001

Present Commissioners: Robert E. Hird, Chair  
Bob Buster, Vice Chair  
Don Galleano  
Terry Henderson  
Robin Lowe  
Jack McFadden  
John Tavaglione

Absent: Marion V. Ashley

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 9:06 a.m.

2. **APPROVAL OF MINUTES OF April 26, 2001**

The minutes were approved as presented.

3. **HEARINGS:**

**Consent:**

- a. LAFCO 2001-02-3- Annexation 70 to County Service Area 103.

Moved (Lowe) seconded (Tavaglione) to approve LAFCO 2001-02-3-Annexation 70 to County Service Area 103.  
7/0 (Ashley absent)

**Continued:**

- b. LAFCO 2000-24-4-Reorganization to Include Concurrent Annexation 51 to the City of Coachella and Annexation into the Coachella Fire Protection District (subsidiary) and the Coachella Sanitary District (subsidiary) and Concurrent Detachment from the Riverside County Waste Resources Management District. (**Continued from April 26, 2001**)

- c. LAFCO 2000-26-4-Sphere of Influence Amendment (addition) to the City of Coachella. **(Continued from April 26, 2001)**

Mr. Fowler presented both proposals.

Staff recommended approval of the proposal with the modified boundaries with the condition that the city and the district negotiate an agreement on water and sewer issues prior to the recordation of the Certificate of Completion.

Commissioner Tavaglione asked if section 31 was not included because it was Indian land? Mr. Fowler responded that that section was not included because it was not owned by the applicant.

Commissioner Henderson asked if the applicant owned half of section 12. Mr. Fowler responded that they owned the majority of that section.

Commissioner McFadden asked if section 6 and part of 12 were proposed to be annexed in the future. Mr. Fowler responded that it was proposed to be annexed and staff recommended that it be added to the sphere of influence.

Commissioner Lowe expressed concern about the condition regarding the agreement between the City and the Water District for services.

Mr. Spiliotis stated that LAFCO did not have the authority to limit the services that an agency can provide within the boundaries.

Chair Hird opened the public hearing.

**IN FAVOR:**

John Quinn, 1515 Sixth Street, Coachella, CA 92236. Mr. Quinn introduced Mr. Dwight McNaughton, Desert Lakes Developers.

Dwight McNaughton, 1909 Norwich Way, Bakersfield, CA 93311. Mr. McNaughton stated that he represented the property owners of Desert Lakes Development. Mr. McNaughton proceeded to read their response to the staff report. He concluded by asking the Commission to approve the entire annexation area as requested in their application.

Chip Leslie, 14725 Alton Parkway, Irvine, CA 92618. Mr. Leslie discussed the issue of growth rate factors. He said that he had been working very closely with the City and the applicants. He urged the Commission to approve the annexation.

Pamela Newcomb, 462 Stevens Avenue, Solana Beach, CA 92075.

Ms. Newcomb discussed the financial issues of the proposal. She asked the Commission to approve the entire annexation as requested by the applicant.

Mr. John Quinn, 1515 Sixth Street, Coachella, CA 92236. Mr. Quinn stated that the City of Coachella was prepared to provide the needed services for the annexation and asked the Commission to approve the entire the proposal.

Denys Arcuri, Supervisor Wilson's Office. Mr. Arcuri stated that Supervisor Wilson was in full support of the entire proposal and asked the Commission to approve the entire annexation.

Mary Belardo, P. O. Box 1160, Thermal, CA 92274. Ms. Belardo stated that she was representing the Torres Martinez Band. Ms. Belardo stated that the Torres Martinez Band was in full support of the total annexation as requested by the City of Coachella. She asked the Commission to approve the annexation.

**IN OPPOSITION:**

Gerry Shoaf, 1950 Market Street, Riverside, CA 92501. Mr. Shoaf stated that he was the attorney for the Coachella Valley Water District. He stated that the district was not opposed to the annexation, but asked the Commission to look at the water and sewer service issues prior to their final decision. He said that the district was in a position to provide the services at a more reasonable cost.

Commissioner Lowe asked Mr. Shoaf how many water districts did he represent? Mr. Shoaf responded that he represented three other districts including Eastern Municipal Water District.

Dan Parks, P. O. Box 1058 Coachella, CA 92236. Mr. Parks went over the handout given to the Commission regarding water and sewer services. He stated that the district had a \$40 million reserve in the wastewater budget and had the capability to extend their system to provide the needed services unlike the City of Coachella.

Commissioner Lowe expressed concern about whether this issue was about revenue or about service to the residents. She asked Mr. Parks what would be the return on their investment.

Mr. Parks stated that as a public agency, they did not make a profit. He said that the money would go back into lowering their fees.

**REBUTTAL:**

John Quinn, 1515 Sixth Street, Coachella, CA 92236. Mr. Quinn stated they were very flexible people and believed that the City could provide better service. He stated that the City would like to be the provider of services for that area without having to come to a compromise with the Coachella Valley Water District. He said that there was a water reservoir within the annexation and if the district were selected to provide the services, they would have to go through or around the City's boundaries. He said that regarding the financial issue that it was eminent. He said that they had in existence the facilities within the annexation to be able to provide the services to the area. He said that it will cost more for the Coachella Valley Water District to provide the services. He asked the Commission to take in consideration these issues prior to making their final decision.

Chair Hird closed the public hearing.

Commissioner Galleano moved to continue the proposal to allow all parties involved to work out the issues of mutual concern. Commissioner McFadden supported Commissioner Galleano's motion.

Commissioner Tavaglione expressed agreement with the current motion. He commented that the annexation was too large.

Commissioner Henderson expressed her support on behalf of the City of Coachella to annex the proposed area. She also stated that legally LAFCO did not have the authority to decide who will provide the water and sewer services.

Commissioner Buster expressed his support to continue the proposal to work out the issues of mutual concern among the parties involved.

Commissioner Lowe expressed her support on behalf of the City of Coachella. She felt that they had the ability to provide the services required in the annexation area.

Commissioner Lowe proposed a substitute motion to accept staff's recommendation and Desert Lakes phase one to be included with the recommendation along with the condition that staff recommended that both the City and the water district discuss the issues of mutual concern and come up with an agreement prior to the recording of the Certificate of Completion. Commissioner Buster seconded the motion.

Commissioner Buster supported Commissioner Lowe's motion.

Commissioner Tavaglione stated that LAFCO's responsibility was to insure orderly development. He commented that the annexation as it was proposed was too large. He stated that

the Commission should look at orderly boundaries when making a determination.

Mr. Spiliotis commented that the proposed boundaries were as submitted by the applicant. He also stated that if the Commission enlarged the boundaries the Commission might get into a gray area.

Commissioner Galleano said that he asked for a continuance, not a denial, to allow time for the parties involved to resolve the issues of concern.

Commissioner Tavaglione stated that he would support the annexation and the sphere amendment if it will only include the yellow area as shown on the overhead map.

Commissioner Lowe amended her substitute motion to accept staff's recommendation for the annexation as shown on the overhead map highlighted in yellow and that this area be the approval for the sphere of influence amendment. Supervisor Buster seconded the motion.

Commissioner Henderson asked if the Commission was saying they would like to potentially see the City grow this way but, by the way, we are going to make it as difficult as possible by not involving enough of the property that makes it feasible.

Chair Hird asked if there was any other members wishing to comment on the motion. There being none.

Moved (Lowe) seconded (Buster) to amend the sphere of influence coterminous with the staff recommendation for annexation and approve the annexation as recommended by staff including terms and conditions recommended by staff.

4/3 (Henderson, McFadden and Tavaglione voted no)

- d. LAFCO-38-2-Sphere of Influence Amendments to Western Municipal Water District (removal) West San Bernardino County Water District (addition) and San Bernardino Valley Municipal Water District (addition) and Reorganization to Include Concurrent Detachments from Western Municipal Water District and Metropolitan Water District of Southern California and Annexations to West San Bernardino County Water District and San Bernardino Valley Municipal Water District.

Moved (Tavaglione) seconded (Henderson) to approve LAFCO-38-2-Sphere of Influence Amendments to Western Municipal Water District (removal) West San Bernardino County Water District (addition) and San Bernardino Valley Municipal Water District (addition) and Reorganization to Include Concurrent Detachments from Western Municipal Water District and Metropolitan Water District of Southern

California and Annexations to West San Bernardino County Water District and San Bernardino Valley Municipal Water District.

7/0

- e. LAFCO 2001-01-4-Community of Interest #15 - Vista Santa Rosa.

Mr. Spiliotis presented the proposal and pointed out to the Commission that a typographical error in the public notice was made which will affect the outcome of the hearing. He suggested that the Commission take all public testimony now and continue the proposal for 30 days to allow time to correct the error.

Commissioner Buster asked if everyone was adequately informed on what a Community of Interest was.

Mr. Spiliotis stated that notices were sent out to registered voters and property owners. He also believed that there had been correspondence going out from the proponents and the opponents as well.

Commissioner McFadden asked if the COI was approved if that precluded a City from annexing.

Mr. Spiliotis stated that the Community of Interest policies stated that anything less than the entire COI as approved by the Commission was discouraged from annexation, but not prohibited. He said that the City of Coachella could apply to annex a particular area if they desire because the COI was within the City's SOI, but the City of La Quinta could not annex until a service review was done and the sphere of influence was amended.

Chair Hird opened the Public amended.

Tracey Darroll, 83-581 Avenue 60, Vista Santa Rosa, CA 92274. Ms. Darroll stated that she was one of the applicants. Ms. Darroll gave a brief history of the area. She further stated that because there was interest from the City of Coachella and the City of La Quinta to annex their area they wanted to create the COI to protect their area as they study the issues to allow them the necessary time to decide where they wanted to go. She said that they represented a significant portion of their community and would like to have the opportunity to study their options.

Commissioner Tavaglione asked if their group met monthly. Ms. Darroll responded that they were appointed by Supervisor Wilson's office and were part of the MAC.

Betty Mangan Smith, P. O. Box 732, Indio, CA 92202. Ms. Mangan-Smith discussed the water delivery system in their

area. She commented that it was one of the best water systems in the world. She asked the Commission to grant them the COI designation to allow them the time to study the issues of mutual concern.

Mr. Spiliotis stated that he was going to pass to the Commission a folder with correspondence that came in late the previous day which staff did not have the opportunity to copy.

Chair Hird stated that LAFCO did not have the authority to make any decisions regarding land use.

Gayle Cady, 82-831 Avenue 54, Thermal, CA 92274. Ms. Cady stated that she had been delegated as the Trails Coordinator for Vista Santa Rosa. She said that the purpose, as the Trails Coordinator, was to have a harmonious, collective, cohesive life style for everyone to enjoy. She stated that the reason for the COI was to have a two-year window to study the issues of mutual concern. She also discussed the concern of some of the landowners in regards to the value of their property. She named several famous persons that were in support of the COI.

Commissioner Tavaglione stated that the audience needed to understand what a Community of Interest will accomplish. He said that the COI was surrounded by three jurisdictions including an unincorporated area within the County. He said that one of the ingredients that lacked in public policy today was participatory government wherein the public, the residents and the elected officials worked together in a cohesive way. He said that the COI was an excellent mechanism to bring the parties together to try and workout a solution. He said that the COI did not prohibit a landowner from annexing or developing their land.

Denys Arcuri, 1730 Grand Bahama, Palm Springs, 92214. Mr. Arcuri discussed the area south of Avenue 52 adjacent to the COI. He said that the owners of that area would also like to be included within the COI. He proceeded to show the Commission a 4-minute videotape of the Vista Santa Rosa Community of Interest.

Commissioner Buster asked Mr. Arcuri what was Supervisor Wilson's recommendation on this proposal. Mr. Arcuri responded that Supervisor Wilson was in full support of the Community of Interest designation.

**The following persons were in support of the annexation but did not speak.**

Mr. Jack Woods, 63-491 Van Buren Street, Thermal , CA 92274.

Mr. Robert D. Richert, 84-900 Avenue 66, Thermal, CA 92274.

Ms. Melinda Perdue, P. O. Box 61, Coachella, CA 92236.

**The following persons spoke in favor of the COI:**

Mr. Richard Foxx, 78365 Highway 111, #338, La Quinta, CA 92253.

Mr. Marshall Gilbert, KNEWS.

Ms. Mary Belardo, P. O. Box 1160. Thermal, CA 92274. Torres Martinez Band. Ms. Belardo stated that she was in favor of the COI but did not want to be included within the COI boundaries.

Ms. Sue S. Hale, 83230 Avenue 52, Coachella, CA 92236.

Mr. Kevin Ittig, 82-800 Avenue 58<sup>th</sup>, Thermal, CA 92274.

Ms. Ellen Lloyd Trover, 82-150 Monroe Street, Coachella, CA 92236.

Ms. Tania Paneno, 83-135 53<sup>rd</sup> Avenue, Coachella, CA 92236.

Mr. Mike Hakan, 65000 Van Buren, Vista Santa Rosa, CA 92274.

Ms. Kate Weber, 84-250 Lovely Sage, Vista Santa Rosa, CA 92274.

Mr. Brent Lance, 84-401 Avenue 61, Vista Santa Rosa, CA 92274.

Ms. Cheri Leja, 54295 Jackson, Thermal, CA 92274.

Martha Brown and Larry Lichliter, 80-138 Hermitage, La Quinta, CA 92253.

Robert Hargreaves, Attorney for the Vista Santa Rosa Property Owners Association, 74-760 Highway 111 #200, Indian Wells. Mr. Hargreaves discussed the need for a COI at this time in the proposed area.

Commissioner Lowe asked Mr. Hargreaves how many members were in the association. Mr. Hargreaves responded that the association was in the formation process.

Ms. Dona K. Lane, 82-820 Avenue 54, Thermal, CA 92274. Ms. Lane spoke in favor of the annexation and on behalf of Mr. James S. Harrison and Linda Harrison, 82-820 Avenue 54, Thermal, CA 92274.

Mr. Spiliotis commented that the City of La Quinta had not taken a final action on the pre-zoning issue. He said that if the COI was approved the pre-zoning issue would be one of the issues they will be discussing.

Commissioner Lowe commented that even if the City filed for annexation, there will always be land use hearings that will accompany the annexation.

**The following persons also spoke in favor of the COI.**

Ms. Elizabeth Talley, 82-836 Beckman Drive, Thermal, CA 92274.

Mr. William Corbett, 57-365 Spanish Hills, La Quinta, CA.

Ms. Barbara J. Phelps, 82-820 Avenue 54, Thermal, CA 92274.

Ms. Joni Galvan, 65-000 Van Buren Street, Thermal, CA 92274.

Ms. Janice Harrison, 82-080 Avenue 65, Thermal, CA 92274.

Mr. Lee Anderson Jr., 59-777 Calihoon Street, Thermal, CA 92274.

**The following persons spoke in opposition to the COI.**

John Pena, Mayor, City of La Quinta, 78-495 Calle Tampico, La Quinta, Ca 92253. Mr. Pena commented that prior to the LAFCO hearing process, the City had never heard of the Vista Santa Rosa. He said that they had begun the process of annexation approximately two years ago as a response to several property owners in the area desiring to be in the sphere of the City of La Quinta. He said that they had held several public hearings as part of the annexation process. He said that many of the people here today were concerned with land use issues. He said that the purpose of the COI was not to discuss land use. He said that they had been working with the proper elected officials of the County of Riverside, City of Coachella and City of Indio. He said that they were not doing the proposed annexation on their own. He said that the area was contiguous with their boundary. He said that as they began the process, they will insure that all the landowners will be informed accordingly. He proceeded to introduce Mr. John Ramirez, City Attorney, of City of La Quinta.

John Ramirez, City Attorney, City of La Quinta, 78-495 Calle Tampico, La Quinta, CA 92253. Mr. Ramirez discussed the reasons City of La Quinta was requesting the Commission to deny the COI designation. He based his request on the Cortese-Knox-Hertzberg Act and proceeded to quote several sections of the Act. He finalized by saying that there was no doubt that land use studies will be conducted during a proposed annexation by either the City of Coachella or the City of La Quinta. He felt that the need for a study was not sufficient justification for a COI to be approved. He said that the study will occur in any event.

Commissioner Buster stated that regarding whether or not COIs were legal, it was decided by Superior Court Judge Dallas Homes in the case of City of Lake Elsinore vs. LAFCO, which the City did not choose to appeal. He said that it seem logical to him that a community should have a right to decide their future rather than react to proposals in a more defensive way.

Mr. Ramirez stated that he was not contesting the issue of communities having a right of self-determination. He said that he was not too familiar with the case referred to by Commissioner Buster but that under the law unreported superior court decisions that had not received appellate review were not citable as precedence.

Mr. Ramirez also discussed AB 2838 regarding the need for service reviews. He said that the COIs were a vehicle for altering the sphere of influence without going through service review process.

Commissioner Tavaglione asked if there was an issue of sphere of influence by the City of La Quinta. Mr. Ramirez responded in the negative.

Mr. Ramirez further discussed issues of compliance with CEQA regarding the COI and its potential impacts on the environment as noted in the Lake Elsinore case. He respectfully requested the Commission to deny the COI application.

Jerry Herman, Community Development Director, 78-495 Calle Tampico, La Quinta, CA 92253. Mr. Herman stated that they were in the process of updating their general plan and were also in the process of conducting public hearings hopefully, in the summer and fall. He stated that after they complete the hearings, they will be conducting their pre-zoning hearings, which will give everyone the opportunity to discuss issues regarding land use. He proceeded to show the Commission maps with the different proposed pre-zoning areas.

Commissioner Tavaglione asked to be shown on the map where the Thermal Airport was.

Commissioner Tavaglione commented that the purpose of expanding the Thermal Redevelopment Area was to insure that proper economic development will occur around the Thermal Airport. He stated that the designation for redevelopment for the Thermal Airport and corresponding industrial development in and around the airport was the basis behind the establishment of the redevelopment area. He said that once the area was developed, it could provide improved infrastructure to the existing rural and unrural communities.

Commissioner Buster stated that the County did not try to include undeveloped areas in their redevelopment zones.

Commissioner Henderson asked if the redevelopment area around the Thermal Airport was established to provide the proper infrastructure for the provision of the necessary transportation corridors to move from and to the airports

Commissioner Tavaglione responded in the affirmative that it was established to allow the airport and surrounding areas to the airport to sustain economic viability.

Steve Robbins, Assistant to the General Manager, Coachella Valley Water District. P. O. Box 1050, Coachella, CA Mr. Robbins stated that he was here to clear some of the misinformation given to the Commission and proceeded to give his report. He stated that there will be no impacts regarding water supply to the Vista Santa Rosa area regardless of its future land uses. He stated that water consumption per acre was similar whether the area was used for agriculture, residential, or development of golf courses.

**The following spoke in opposition to being included within the COI.**

Mike Mitchell, 38 Lucerne Drive, Palm Desert, CA 92260.

Morton Devor, 12400 Wilshire Blvd., Los Angeles, CA.

Jean Bozarth, 1338 S. Ogden Drive, Los Angeles, CA 90019.

Jerry Lugo, 79-860 Boqueron Way, Palm, Desert, CA 92201.

Nancy Aaronson, 81-100 Avenue 53, La Quinta, CA 92253.

Tim Blixsetih, 71-532 Sahara Road, Rancho Mirage, CA 92270.

William Bozarth, 1338 S. Ogden Drive, Los Angeles, CA 90019.

Paul Loeffel, 5512 Valpredo Avenue, Bakersfield, CA 93307.

Albert Keck, 83-555 Airport Blvd., Thermal, CA 92274.

Cecilia Tudor, 73546 Siesta Drive, Palm Desert, CA 92260.

Grady Sparks, 79420 Briarwood, La Quinta, CA 92253.

Connie Sparks, 79-420 Briarwood, La Quinta, CA 92253.

John Addink, A G Sod Farms, Calhoon Street, Thermal, CA.

John Nations, Jr., 59-010 Van Buren Street, Thermal, CA 92274.

Suzanne Powell, Peter Rabbit Farms, 50-825 Grand Traverse Avenue, La Quinta, CA 92253.

Jon R. Hillen, Oak Hill Ranch Co., 75-543 Calle Del Norte, Indian Wells, CA 92210.

John Powell, Jr. 77-407 Box Ridge Place, Indian Wells, CA 92210.

Joe Leimbach, 1805 Industrial Street, Los Angeles, CA 90021.

Duane Young, 5700 Highway 111, Thermal, CA 92274.

John Gamlin, Coral Mountain Development, LLC, 79-285 Rancho La Quinta Drive, La Quinta, CA 92253.

Bill Tackabery, representing Kris Fredrick, 223 Camino Arroyo, Palm Desert, CA 92260.

Richard Meyer, 79-310 Port Royal, Bermuda Dunes, CA 92201.

Joe Hamner, 74757 N. Cove Drive, Indian Wells, CA 92210.

Raymon H. Brown, 1400 Calle De Maria, Palm Springs, CA 92264.

Greg Young, 38-305 Jefferson Street, Indio, CA 92203.

Treesa Cotton, 84-850 Avenue 58, Thermal, CA 92274.

Dick Schmid, 95-890 Pawnee, Indian Wells, CA 92210.

Susan Harvey, 130 Vista Valle, Palm Desert, CA 92260.

Maria Chi, 53-500 Monroe & 52, La Quinta, CA.

Chair Hird asked Mr. Hargreaves if he wanted to respond to the testimony just heard.

Robert Hargreaves, Best Best & Krieger, Attorney for Vista Santa Rosa, 74-760 Highway 111 #200, Indian Wells. Mr. Hargreaves elaborated on the issues discussed by both sides. He stated that the real issue was self-determination. He said that the COI policy provided a neutral forum for all parties involved to have dialog about the issues of mutual concern. He stated that this was the appropriate mechanism to accomplish their goal. He asked the Commission to consider all the issues prior to making the final decision.

Chair Hird closed the public hearing.

Commissioner Henderson stated that because of all the AB 2838 changes and requirements, she asked that the COI designation be put on hold pending the outcome results of the service reviews.

Commissioner Tavaglione disagree with Commissioner Henderson and stated that the Commission needed to set a reasonable period of time. He recommended that everyone involved meet to discuss the issues of concern and try to come up with a reasonable solution.

Commissioner Lowe stated that what she was hearing from both sides was the need to preserve a way of life. She stated that she had a problem with supporting the COI for the sake of property rights. She said that it was not what a COI should be. She said that the Planning Commission, the City Council and the Board of Supervisors were the forum where people came together to discuss property right issues. She said that the County Integrated Plan that the County was working on was one of the most open processes that had ever occurred in the County. She said that if the Coachella Valley was not part of it that they needed to be involved in the process. She stated that she could not support the COI at this time because the reasons given to form the COI were not sufficient to approve it. She said that she would be happy to be part of the group that will be meeting to discuss this issue and hopefully will be able to come up with a reasonable solution. Commissioner Lowe moved to deny the COI at this time.

Commissioner Buster agreed with Commissioner Lowe and seconded the motion.

Chair Hird said that this motion will eliminate the need to postpone the proposal to a future date.

Commissioner Tavaglione stated that he was not in support of the motion to deny the COI. He stated that he would support a motion to continue the proposal for a period of three months to give the opportunity for everyone to sit down and discuss the issues of mutual concern. He said that they needed to leave the door open to everyone to work together.

Commissioner Buster agreed with Commissioner Tavaglione that everyone involved needed to sit down together and discuss all the issues. He suggested that the cities be involved in the discussion process. He said that he also did not disagree with Commissioner Lowe that perhaps the proposal did not fit within the concept of the COI.

Commissioner Henderson commented that due to the compelling testimony that she heard, she will not support the COI at this time.

Commissioner Tavaglione offered a substitute motion to continue the proposal for a period of three months to give representatives from both sides, City of La Quinta, and Supervisor Wilson's office the opportunity to meet and discuss and try to come up with a reasonable solution.

Commissioner Buster seconded the motion. Commissioner McFadden expressed his support for the motion as well.

Commissioner McFadden stated that if nothing was accomplished at the end of the 90-day period, he will be in favor of denial.

Commissioner Buster commented that Supervisor Wilson's Office will be more than willing to give his expert assistance on this issue.

Chair Hird expressed that he was neutral to this issue that he could vote either way.

Commissioner Lowe asked who the lead agency was going to be.

Commissioner Tavaglione responded that there will be no lead agency, that the City and the County will work in concert with the opponents and proponents to try to resolve this issue.

Moved (Tavaglione) seconded (Buster) to continue LAFCO 2001-01-4-Community of Interest No. 15-Vista Santa Rosa to August 30, 2001.

4/2 (Galleano absent) (Henderson and Lowe no)

f. FINAL BUDGET AND FEE SCHEDULE FOR FISCAL YEAR 2001-2002.

Mr. Spiliotis gave a brief budget report presentation and proceeded to discuss the application fees regarding Incorporations and Communities of Interest. He said that the current schedule did not represent the amount of time of work involved in both Incorporations and Communities of Interest.

Commissioner Buster stated that prior to considering increasing the application fees for Communities of Interest, the Commission should consider the communities that did not have the financial means to pay for the fees.

Commissioner Henderson stated that Riverside County was the only County that had Communities of Interest. She said that it was not inappropriate to consider a reasonable increase in fees due to amount of work involved in these proposals.

Commissioner Lowe agreed with Commissioner Henderson and commented that some of the COIs could probably resolve their issues by meeting with their Supervisor prior to coming to LAFCO.

Commissioner Buster asked what would have been the application fee for the Vista Santa Rosa COI. Mr. Spiliotis responded that the fee should have been similar to a city annexation application fee.

Commissioner Tavaglione stated that he was in support of a fee increase. He commented that LAFCO will probably receive better applications if there was an application fee for COIs.

After further discussion by the Commission, Commissioner Tavaglione moved to set the application fee to \$2,500 for COIs, Chair Hird seconded the motion.

Chair Hird opened the public hearing.

Jim Guerra, 265 Dawn Way, Banning, CA 92220. Mr. Guerra stated that he worked with small rural farming communities that did not have the means to pay for the application fee. He gave a brief history of those communities and said that they were currently working on developing leadership and how to interact with Government. He asked the Commission to consider these communities prior to making their final decision on fees.

Chair Hird closed the public hearing.

Commissioner Tavaglione stated that they had to show that the process was fair. He suggested that they speak with their County Supervisor, or apply for grants.

Commissioner Lowe commented that they could also ask the LAFCO Commission to waive the application fee pending their financial circumstances.

Commissioner McFadden left at 3:55 p.m.

Mr. Spiliotis proceeded to discuss the incorporation application fee. He stated that the fees should be increased also due to the amount of work involved in the process.

Commissioner Tavaglione moved to an application fee increase for incorporations from \$6,820 to \$25,000. Commissioner Hird seconded the motion.

The Commission also agreed to a fee increase from \$100 to \$200 for the Extension of Time fee.

Mr. Spiliotis stated that LAFCO was generating a significant amount of revenue over what LAFCO had budgeted. He stated that he would like to have an additional "cushion" in the budget for next year. He said that LAFCO will be generating approximately \$60,000 over the estimate revenue. He said that this money will just revert to the County General Fund after July 1, 2001. He stated that he had already discussed this issue with the Executive Office and asked the Commission if they would agree to request the Board of Supervisors to carryover a portion of that amount into the LAFCO budget for next year.

The Commission agreed and directed Mr. Spiliotis to follow up with the necessary paperwork to request the Board of Supervisors to carryover a portion of the current budget into the next year's budget.

4. **INFORMATION ITEMS: Proposal Received (56857, 56751)**

The Commission acknowledged four proposals received as information items.

5. **EXECUTIVE SESSION:**

CLOSED SESSION TO GOVERNMENT CODE SECTION (54957.6

- a. Consideration of Executive Officer compensation.

There was no executive session.

6. **MISCELLANEOUS STAFF REPORTS.**

There were no miscellaneous staff reports.

7. **PUBLIC COMMENTS.**

There was no public comment.

8. **ADJOURNMENT.**

The Commission adjourned at 4:05 p.m.

Respectfully,

George J. Spiliotis  
Executive Officer