

MINUTES
DECEMBER 9, 2004

Present Terry Henderson
Commissioners: Bob Buster
Kevin Jeffries
Robert E. Hird
Robin Lowe
Ron Starrs
John Tavaglione

Present Staff: George J. Spiliotis, Executive Officer
Wayne Fowler, Local Government Analyst III
Adriana Romo, Local Government Analyst I
Elena Medina, LAFCO Assistant
Joe Rank, Legal Counsel

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

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

1.2 **ROLL CALL.**

Everyone was present.

1.3 **SELECTION OF OFFICERS.**

Moved (Tavaglione) seconded (Lowe) to appoint Kevin D. Jeffries as Chair of the LAFCO Commission.
(Jeffries abstained)

Moved (Buster) seconded (Tavaglione) to appoint Robin Lowe as Vice Chair of the LAFCO Commission.
6/0 (Lowe abstained)

2. **APPROVAL OF MINUTES OF OCTOBER 28, 2004.**

Minutes were approved as presented.

3. **HEARINGS:**

Consent:

- a. LAFCO 2004-25-3-Annexation to Valley Wide Recreation and Park District.

- Moved (Lowe) seconded (Hird) to approve LAFCO 2004-25-3-Annexation to Valley-Wide Recreation and Park District.
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- b. LAFCO 2004-30-4-Annexation 41 to County Service Area 121.
Moved (Lowe) seconded (Hird) to approve LAFCO 2004-30-4-Annexation 41 to County Service Area 121.
- c. LAFCO 2004-32-1-Annexation 79 to County Service Area 103.

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-30-4-Annexation 41 to County Service Area 121.
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- d. LAFCO 2004-34-3-Reorganization to Include Concurrent Annexation 64 to County Service Area 84 and Valley-Wide Recreation and Park District.

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-34-3-Reorganization to Include Concurrent Annexation 64 to County Service Area 84 and Valley-Wide Recreation and Park District.
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- e. LAFCO 2004-06-1- Reorganization to Include Annexation 96B to the City of Riverside and Concurrent Detachment from the Riverside County Waste Resources Management District.

Mr. Fowler presented the proposal.

Commissioner Buster stated that the Transportation Department had recommended that the City of Riverside maintain the entire street of Chicago not just half of the street. He asked Mr. Fowler if there was an agreement to that effect. Mr. Fowler responded that there was no agreement, thus, staff was recommending to add a condition that prior to the recordation of the Certificate of Completion, LAFCO 2004-06-1-Reorganization to Include Annexation 96B to the City of Riverside and Detachment from the Riverside County Waste Resources Management District, the City and the County shall enter into an agreement defining maintenance responsibility for the full width right of way of Chicago Avenue from Lurin Street to Van Buren Boulevard and defining fire and police service responsibility along the same area of Chicago Avenue.

Commissioner Buster discussed the second issue of concern brought up by staff in the report regarding the area along Little Court, which was to the east of parcel "A" and west of Woodcrest Christian High School. Commissioner Buster stated that staff was recommending including this area within one of the upcoming annexations. Mr. Fowler said that there was an annexation being processed by the City, but LAFCO had not received it to date. Mr. Buster stated that he would like to get some indication from the applicant as to whether they were willing to include this area in their annexation. Mr. Fowler stated that the applicants of the discussed proposal commented that they prefer to not include the discussed area in their application at this time because they felt they were part of annexation 96B. He said that no one had been receptive and willing to include this area with their annexation.

Chair Jeffries opened the public hearing.

Patti Nahill, 3900 Main Street, City of Riverside, CA 92522. Ms. Nahill responded to Mr. Buster's concern stating that Parcel A was owned by the Sodaro Family and Parcel B was owned by Mr. Hobbs. She said that Mr. Hobbs also owned the property immediately above Parcel B which was shown in Pink. She stated that as a result of Mr. Hobb's discussion with the County, he had revised his two approved tentative maps to respond to the citizens' concerns regarding Chicago Avenue. Ms. Nahill said that in terms of the conditions recommended by staff, the City had no problem addressing the residents of Little Court with the possibility of annexing that area in the future. She said that they were currently working on annexation 101 which will probably be the most logical annexation to include this area because everything will be on the south side of Van Buren concerning services. She said that annexation 101 was more commercial related. She said that they were opposed to the second condition under item d. because of the way it was currently worded. She said however that they would be happy to do a cooperative agreement with the County, but would not like to have this as a condition of approval for the proposal. She expressed her availability to answer any questions.

Commissioner Henderson asked what was the challenge of having the condition added to the approval of the annexation. Ms. Nahill stated that partly it was tied to the recording of the Certificate of Completion because prior to recordation, the condition had to be met which will delay the process. She said that the City would rather work in the spirit of cooperation.

Commissioner Buster stated that it was not a major issue and he was sure they could work out an agreement with the City.

David Sodaro, 12172 Skyline Drive, Santa Ana, CA 92705. Mr. Sodaro stated that he was the son of the owners of the property. He stated that he was in full support of the annexation without the added condition.

Mel Wagstaff, 7535 Wadlow Road, Corona, CA 92880. He said that the developer and owners had no problems with the road alignment; therefore, he asked the commission to approve the annexation without the added condition.

Roger Hobbs, 1430 E. Chapman, Orange, CA 92866. Mr. Hobbs thanked everyone for their cooperation with the annexation and asked the Commission to approve the proposal without the added condition.

Chair Jeffries closed the public hearing.

Moved (Buster) seconded (Hird) to approve LAFCO 2004-06-1 Reorganization to Include Annexation 96B to the City of Riverside and Detachment from the Riverside County Waste Resources Management District as originally recommended without the added conditions.

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- j. LAFCO 2004-35-5-Reorganization to Include Annexation 99 to the City of Riverside and Detachment from the Riverside County Waste Resources Management District.

Mr. Fowler presented the proposal.

Chair Jeffries opened the public hearing.

Kim Morgan, 399 Two Trees Road, Riverside, CA 92507. Ms. Morgan urged the Commission to approve the annexation.

Jane Block, 424 Two Trees Road, Riverside, CA 92507. Ms. Block expressed her support for the annexation and urged the commission to approve it with recommendation "B".

Patti Nahill, City of Riverside, 3900 Main St., Riverside, CA 92522. Ms. Nahill stated that the City was recommending that the Commission adopt recommendation "B" and stated that all property owners of the annexation were in agreement to be part of the City.

Chair Jeffries closed the public hearing.

Commissioner Buster recommended approving the annexation with alternative "B".

Moved (Buster) seconded (Tavaglione) to approve LAFCO 2004-35-5-Reorganization to Include Annexation 99 to the City of Riverside and Detachment from the Riverside County Waste Resources Management District alternative recommendation "B" as outlined in the staff report.

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k. LAFCO 2004-29-3-Reorganization to Minor Sphere of Influence Amendment (addition) to Rancho California Water District and Reorganization to Include Concurrent Municipal Water District (79th Fringe) and the Metropolitan Water District of Southern California.

Commissioner Buster and Tavaglione excused themselves from this item due to a campaign contribution from the property owner.

Mr. Fowler presented the proposal.

Chair Jeffries opened the public hearing.

Steve Ludwig, 24361 El Toro Road, #100, Laguna Woods, CA 92637. Mr. Ludwig stated that they would prefer alternative "B" because it will give them more reliability with the annexation and urged the Commission to approve the annexation with alternative "B".

Chair Jeffries closed the public hearing.

Moved (Henderson) seconded (Hird) to approve LAFCO 2004-29-3-Reorganization to Minor Sphere of Influence Amendment (addition) to Rancho California Water District and Reorganization to Include Concurrent Municipal Water District (79th Fringe) and the Metropolitan Water District of Southern California using alternative item "B" of staff's recommendation as outlined in the staff report.

5/2 (Buster and Tavaglione did not participate)

4. RECEIVE AND FILE:

- a. **INFORMATION ITEMS: Proposals Received (Government Section 56857, 56751)**

The Commission acknowledged receipt of seven proposals.

- b. **MONTHLY EXPENDITURE REVIEW.**

The Commission received and filed the Monthly Expenditure Review Report.

5. LAFCO 2004-06-4-EXTRA TERRITORIAL SERVICE REQUEST-VALLEY SANITARY DISTRICT.

Mr. Fowler presented the proposal.

Chair opened the public hearing.

Rex Sharp, Valley Sanitary District, 45-500 Van Buren, Indio, CA 92201.

Mr. Sharp distributed a letter to the Commission. He said that the letter was in response to the opposition letter submitted by Coachella Valley Water District. He said that the extra territorial service agreement pointed out that the tract was partly within Valley Sanitary District. He said that the developer's representative had looked at the cost that it would take for Coachella Valley Water District to serve the area outside Valley Sanitary District and it was excessive. He said that the letter from the Coachella Valley Water District stated that the two districts had agreed on a service boundary in the early 1990s. He said however, that with this development it was not a logical division to divide the tract in half and be serviced by the two districts. He said that they had been discussing this area with Coachella Valley Water District. He stated that this area could be better served by Valley Sanitary District but unfortunately, they had not come to a mutual agreement.

Gerry Shoaf, 1950 Market Street, Riverside, CA 92501. He said he was representing Coachella Valley Water District. Mr. Shoaf stated that this request violated a long standing agreement between Valley Sanitary District and the Coachella Valley Water District. He showed the Commission a signed map by both agencies. He said that Coachella Valley Water District had a transmission line on the west end of the proposed assessment district that runs up to its treatment plant. He said that Coachella Valley Water District was able to service the entire project at less cost. He said that

in addition, the Coachella Valley Water District will not have to cross the canal. However, Valley Sanitary District will have to cross the canal to

serve the area by gravity to its treatment facility. He said that the Coachella Valley Water District learned of this request the day before the hearing. Therefore, they did not have a formal presentation. He asked the Commission to deny the request or continue the request so that they have the opportunity to prepare and present a formal presentation with adequate documentation.

Dan Parks, P.O. Box 1058, Coachella, CA 92236. Mr. Parks discussed the map signed by both district managers.

Paul DePalatis, 73-255 El Paseo Drive, Palm Desert, CA 92260. Mr. DePalatis discussed the proposed project in relation to timing, cost and nearest connection facility.

David Hacker, 68-487 E. Palm Canyon Drive, Ste. 43, Cathedral City, CA 92284. Mr. Hacker discussed the cost involved connecting to Coachella Valley Water District. He said that the most feasible facility considering all the factors was Valley Sanitary District.

Rex Sharp, 45-500 Van Buren, Indio, CA 92201. Mr. Sharp discussed Mr. Park's comments regarding the canal being a big significant physical barrier to gravity service. He said that he believed that from the elevations they had they can clear from under the canal with a gravity line because of the slope of the land and that would not be a physical barrier at all.

Commissioner Tavaglione inquired about the prior agreement between the two districts. He asked if both districts had discussed this agreement. Mr. Sharp responded that they had revisited the agreement but had been unable to come up with a mutual agreement.

Commissioner Henderson asked staff if the MSRs were going to bring these kinds of conditions that existed out there and if the Commission will have the opportunity to review them.

Mr. Spiliotis responded that this particular request illustrates the shortcomings of the MSRs. He said that as they were going through the MSR process in the area, the agencies were optimistic at that time that all issues were nearing resolution. He said that some of the problems surfaced after the MSR was done.

Mr. Spiliotis stated that there was a problem with the process on the extra territorial service reviews. He said that they were required to put the item on the next available agenda after they received a completed application. He said that there was not a tremendous amount of time for input. He said that the reason someone would request extra territorial service was because they wanted to be able to provide service in advance of an annexation. He said that in this case the applicant wanted to move forward with the annexation and Valley Sanitary District made a very good case. He said a continuance to the next meeting might be appropriate at this time to allow time for further discussion among the interested parties.

Commissioner Tavaglione stated that they had these types of issues throughout the County of Riverside and sometimes they did not make sense in the way they were structured. He said that he did not like to be rushed

regarding these issues. Commissioner Tavaglione asked the Commission to continue this item to the next meeting to allow all parties involved to further discuss the issues of concern and hopefully be able to come up with a solution.

Moved (Tavaglione) seconded (Hird) to continue LAFCO 2004-46-4-Extra Territorial Service Request-Valley Sanitary District to January 27, 2004.

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6. REPORT ON WATER SERVICE AGREEMENT BETWEEN CITY OF RIVERSIDE AND WESTERN MUNICIPAL WATER DISTRICT. (Continued from October 28, 2004; Staff requests continuance to January 27, 2005)

Moved (Lowe) seconded (Hird) to continue Report on Water Service Agreement Between City of Riverside and Western Municipal Water District to January 27, 2005 as recommended by staff.

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7. MISCELLANEOUS STAFF REPORTS.

There were no miscellaneous staff reports.

- f. LAFCO 2002-08-1-Review of Wildomar Unincorporated Community.
- g. LAFCO 2003-03-1-Sphere of Influence Amendment (addition) to the City of Murrieta (Wildomar area) and Removal of Wildomar UC Designation.
- h. LAFCO 2004-10-1-Reorganization to Include Concurrent Annexations to the City of Murrieta, the Murrieta Community Services District (subsidiary) and the Murrieta Fire Protection (subsidiary) and the Detachment from County Service Areas 103 and 142 and the Riverside County Waste Resources Management District.
- i. Wildomar Municipal Services and Initial Fiscal Review.

Mr. Spiliotis gave a brief summary of the written report. Thereafter, Mr. Spiliotis introduced Bob Spencer from Muni Financial who gave an overview of the study previously done regarding fiscal feasibility and impacts of different annexation and incorporation scenarios.

Commissioner Tavaglione asked Mr. Spencer if he had heard of any concerted effort from any agency like the League of Cities or CALAFCO to correct the error made by the recent VLF agreement in the new state budget regarding the difficulties to incorporate.

Mr. Spencer responded in the negative. He said he had not heard of any organized effort to change the law.

Commissioner Buster commented that hopefully there will be some type of change in the state program to make incorporations possible.

Commissioner Buster asked Mr. Spencer what will happen financially to the other two thirds of Wildomar if the present annexation proposal goes forward. He also asked what would happen if everyone in Wildomar paid a \$130 assessment fee; he also asked what kind of municipal level of services can be provided.

Mr. Spencer responded that he did not want to say that the north part will never incorporate, but at this point in time, it looked like the north area will have a very difficult time incorporating from a fiscal point of view.

Commissioner Henderson commented regarding voting on the \$130 assessment fee because they get to vote on the annexation.

Mr. Spiliotis stated that there would be a protest hearing and if there was sufficient protest then it will go to an election.

Commissioner Henderson stated that it is important to have an understanding of both sides.

Commissioner Henderson asked if the VLF formula was devised by the Legislature or was it by statute.

Mr. Spencer responded that it was a statutory formula. He said that it did not reference incorporations at all.

Commissioner Lowe asked if Mr. Spencer had considered the pension cost in regards to public safety. She asked if that cost factor was considered as an incorporation figure deficit. Mr. Spencer responded that for the incorporation analysis, they had assumed very standard PERS contributions.

Commissioner Tavaglione commented that when they will start looking at incorporation numbers most likely the new City will contract with the County and Fire for those services therefore, those employees will be paid by the County.

Commissioner Starrs stated that with the VLF Law as it current stands, incorporation will be almost impossible. He commented that if that were to change next week, the best that the new city could hope for would be County service levels. He asked Mr. Spencer if that was correct and Mr. Spencer responded in the affirmative.

Mr. Spiliotis discussed briefly staff's conclusions and recommendations as outlined in the staff report.

Mr. Hird asked Mr. Spiliotis if there had been any effort to take a survey to find out if the people in the area were willing to raise their taxes. Mr. Spiliotis responded that he was not too familiar with it, but in the last couple of years there had been a proposal for a special tax that encompassed Wildomar and a portion of the plateau communities for public safety and it did not pass.

Commissioner Buster commended Mr. Spiliotis for a report well done. He further stated that since he was elected there had been many changes with the community of Wildomar. He stated that all this was kind of premature and perhaps Murrieta had to over-stretch itself to serve that area.

Commissioner Buster stated that everyone wanted better services and that the community was changing. He said that he was told that the people had collected 30% of the registered voters' signatures. He asked Mr. Spiliotis that technically, they could not submit those signatures today because they did not meet Commission's policy. Mr. Spiliotis responded that was correct. Commissioner Buster recommended to the Commission to give the people more time to work out their issues and come up with a common solution.

Commissioner Hird asked Commissioner Buster for his time estimate. Commissioner Buster responded that in the next five years the community was going to organize itself to improve the services needed in the area.

Commissioner Jeffries opened the public hearing.

The following persons spoke in favor of the annexation.

Jack Van Haaster, City of Murrieta, 24641 Washington, Murrieta, CA 92562.
Mr. Van Haaster spoke on behalf of the applicant, City of Murrieta.

Andrea Hebert, Crest Meadow, Wildomar, CA 92595.

Joe McCabe, Chairman of the ATM Committee, 35183 Portola Place, Wildomar, CA 92595.

Jim Wells, 35281 Portola Place, Wildomar, CA 92595.

Doug McAllister, 24526 San Vicente, Murrieta, CA 92562.

Nancy Banda, 22960 Paula Ct., Wildomar, CA 92595.

Teri Ferro, 24214 Via Llano, Murrieta, CA 92562.

Howard Ramshorn, 24117 Safiro Ct., Wildomar, CA 92595.

Michael Tierney, 24138 Brillante Drive, Wildomar, CA 92595.

Mary Ann Ramshorn, 24117 Safiro Ct., Wildomar, CA 92595.

Robert Lougee, 35656 Wank Avenue, Wildomar, CA 92595.

Leticia Marquez, 35508 Country Park, Wildomar, CA 92595.

Jack Banda, 22960 Paula Ct., Wildomar, CA 92595.

Paul Williams, 24874 Parkland Ct., Wildomar, CA 92595.

Frank Mattera, 24861 Parkland Ct. Wildomar, CA 92595.

Neutral:

Brad Harris, Deputy Fire Chief, Riverside Co. Fire, Dept., 210 W. San Jacinto St., Perris, CA 92570.

The following persons spoke against annexation:

Bob Cashman, Wildomar Incorporation Now Committee, 23630 Peggy Lane, Wildomar, CA. Mr. Cashman handed to Mr. Spiliotis the initial incorporation proposal. Mr. Cashman also handed to Mr. Spiliotis the incorporation petitions from the registered voters of Wildomar.

Commissioner Henderson asked Mr. Cashman if he was given advice by the Executive Director regarding the procedures he was using before going through the effort of collecting said signatures. Mr. Cashman said that they made sure that the legal format was correct and took a look at the LAFCO policies and waited until the IFA was complete. He said that they had consulted with people and came out with the conclusion that the LAFCO policies were unique in the State. He said that they prohibit them from collecting signatures. He said that the collecting of signatures might not had been right in accordance with State Law, but the signatures gave the Commission a good look at how much the area wanted to incorporate. He said whether or not the Commission chose to accept the signatures, the signatures were valid. Commissioner Henderson asked Mr. Cashman if he was advised by Mr. Spiliotis and Mr. Cashman responded in the positive that Mr. Spiliotis was very plain, clear and very straight forward.

Dan Wildish, Attorney for WIN, 500 N. State College Blvd. Suite 1200, Orange, CA 92868. Mr. Wildish discussed letter presented to the Commission in regards to their position.

Gina Castanon, Director, Chamber of Commerce, 32555 McVicarst, Wildomar, CA 92595. Ms. Castanon discussed letter presented to the Commission.

Sheryl Ade, MAC, 35255 Amatista, Wildomar, CA 92595.

Darrell Ruff, 23021 Sweetbay, Wildomar, CA 92595.

Ed McOrmond, P. O. Box 1476, Wildomar, CA 92595.

Craig Thralls, Senior Living of Southwest County, Wildomar Senior Campus, Wildomar, CA 92595.

Neil Alberding, 31987 Cash, Wildomar, CA 92595.

Janet A. Pearson, 35676 Aster Dr., Wildomar, CA 92595.

George W. Taylor, 34041 Harrow Hill Rd., Wildomar, CA 92595.

Carol Reuben, 35637 Larkspur Dr., Wildomar, CA 92595.

Richard Heil, 21592 Bundy Canyon Rd., Wildomar, CA 92595.

Sharon Heil, 21592 Bundy Canyon Road, Wildomar, CA 92595.

Kami Sabetzadeh, 21260 Cielo Vista Way, Wildomar, CA 92595.

Robert Rodarme, 35295 Billre Ann, Wildomar, CA 92595.

Rosemarie Taylor, 34041 Harrow Hill Rd., Wildomar, CA 92595.

John Guzman, 17540 Bodkin Avenue, Lakeland Village, CA 92530.

Lee Patrick Wilson, 23125 Palomar, Wildomar, CA 92562.

Robin Oxman, Lion's Lair Enterprises, 19062 Homestead Lane, Huntington Beach, CA 92646.

Gary Grant, 27068 Jarvis St., Perris, CA 92570.

Janet Mueller, Miller Brown and Dennis, Lake Elsinore Unified School District, San Diego, CA 92101.

David Masters, 33380 Loquat St., Wildomar, CA 92595.

Paula Willette, 21285 Shoemaker, Wildomar, CA 92595.

George Cambero, 21584 Grand Avenue, Wildomar, CA 92595.

John Cantacessi, 22701 Lost Rd., Wildomar, CA 92595.

Penny Unbrell, 34980 Mission Trail, Wildomar, CA 92595.

Bridget Moore, 20151 Hill Spring Rd., Wildomar, CA 92595.

Richard Blake, 21425 Austin St., Wildomar, CA 92595.

Gary Andre, 31906 Gruwell St., Wildomar, CA 92595.

REBUTTAL AGAINST ANNEXATION:

Gina Castanon, Director, Chamber of Commerce, 32555 McVicar St., Wildomar, CA 92595. She stated that she felt very offended by the ATM group and their comments and how they had done nothing in the community. She said that her committee had raised nearly \$60,000 in the past two years. She said that if there were 83% of the people supporting annexation then where was the documentation that supported that data. She said that their group had no other purpose but to save Wildomar. She asked the Commission to make a decision at this time to give them the UC Status and deny the annexation request.

Sheryl Ade, MAC, 35255 Amatista, Wildomar, CA 92595. She asked County Counsel to look in the statutes as to what the City of Murrieta could provide to that area in regards to services. Ms. Ade commented that the City of Murrieta did not come to LAFCO for the entire sphere of influence until they pointed out that the proposal was not for the entire community. She also said that they had been very involved with the County and they had been doing a better job at planning than the City of Murrieta. She said

things were now coming together and they were going to be a model for the entire Valley. She asked the Commission to think of the implications and the potential actions before making a final decision. She also asked the Commission to deny the sphere and allow them to have some time to finish what they had started.

REBUTTAL IN FAVOR OF THE ANNEXATION:

Jack Van Haaster, City of Murrieta, 24641 Washington, Murrieta, CA 92562. Mr. Van Haaster stated that they were ready to provide the current level of services that the City of Murrieta had to the annexation area. He stated that they were aware of the Senior Center and will be able to apply the CDBG grants from both agencies to the Center. He said that the growth was inevitable and they were in favor of historic preservation. He said that there will be no effect on school districts. He said that the City already had two school districts. He said that the City submitted their application for the entire sphere of influence because of their concern about the community. He asked the Commission to close the public hearing and approve the city's request for sphere and annexation.

Commissioner Tavaglione asked Mr. Van Haaster, regarding public safety, if the eight additional people mentioned by the Police Chief were all police officers or if that included clerical staff. Mr. Van Haaster responded that those were officers on the street and a sergeant to over see them dedicated to that area.

Chair Jeffries closed the public hearing.

The Commission deliberated for approximately 1 hour.

Commissioner Henderson stated that it appeared to be some confusion with some of the speakers regarding what a sphere of influence was therefore, she asked Mr. Spiliotis to give a brief explanation of what a sphere of influence was. Mr. Spiliotis complied with the request.

Commissioner Henderson stated that her inclination was to support the annexation request and perhaps have some further discussion on the options they might have regarding sphere of influence designation.

Mr. Spiliotis stated that if the intent was to approve any form of annexation, at a minimum, that area had to be included within the City's sphere of influence as a pre-requisite. He said that they could do it over just the annexation area or for the entire Wildomar community. He said that to whatever extent they approve the sphere of influence; they would have to remove that territory from the UC Designation.

Mr. Hird suggested granting more time to workout some of the issue of concern.

Commissioner Henderson asked if they did not approve any additional sphere of influence, the rest would stay in the UC unless the Commission removes it.

Commissioner Henderson stated that granting more time; it will only create more problems.

Commissioner Lowe asked Mr. Hird what amount of time he was considering. Mr. Hird responded six months.

Commissioner Lowe stated that her inclination was to approve the annexation and remove the sphere of influence request to only include the annexation area because there were people that were not considered in their request. She said that those people had property rights, too. She further stated that some of the cities that had their own police departments had approximately 90% of their general fund monies dedicated to public safety and that left them with 10% to provide other services. She said that it was a challenge and she was not willing to give them more time.

Chair Jeffries said that he asked legal counsel how to allow the community to stay together. He said that the best he could come up with was a one vote with two-face annexation. He said that this would allow the entire community to decide if they want to go. He said that if they decide to go, it would be in two steps. The first step will go immediately allowing the City of Murrieta to be fiscally sound and the second step could be a year and half later and that part would then go. He said he had trouble leaving part of the community behind that will be slow in developing enough revenue to become something. He said that if there was a way to help the community decide how to work and stay together, they needed to find out.

Commissioner Lowe commented that if the annexation was approved, a protest hearing needed to be conducted.

Commissioner Tavaglione asked Chair Jeffries if the following was what he said: Approve the annexation and the sphere with a vote taken by all and the sphere being re-visited at some time in the future. He asked Chair Jeffries if this is what he would like to do.

Chair Jeffries stated no that what he was saying was that the entire sphere of influence be a single annexation vote and that the yellow area as currently proposed as the annexation. He said that if the entire annexation vote is approved, the yellow area goes immediately subject to the protest process of the entire vote and a year and half later the remainder area goes automatically.

Mr. Spiliotis stated that the Commission did not have the ability to do that.

Commissioner Tavaglione said that they took one vote, and it was no different than the advisory vote that the Board of Supervisors approved. He said that ultimately the majority of the population lived in the gray section and the likelihood of failing was fairly high.

Commissioner Jeffries stated that if that was the case then the gray area was likely never going to be approved. He said that basically what they were saying was that they were going to divide it and had to live with it. He asked the Commission to recognize that they were going to have a split vote.

Commissioner Buster suggested not having the remainder area annex immediately but to wait for approximately a five-year period and thereafter, have the city submit application.

Commissioner Henderson stated there would not be an application because the annexation would be approved with a single vote for the entire area.

Commissioner Henderson stated that the application that was before the Commission was for annexation of the southern area. She said that she was still unsure how the Commission was going to resolve this matter. She said that the Commission had asked both affected sides to work together but had been unable to do so.

Chair Jeffries asked Mr. Joe Rank, Legal Counsel to review some of the Commission's options.

Mr. Rank stated that they had looked at the entire area as a single annexation but that required additional CEQA work. He said that this option will probably require the City of Murrieta to come back with an additional application. He said that if the City was agreeable with this option it was up to them.

Commissioner Buster moved to continue the proposal until April, 2005 and he suggested having an advisory vote of the entire community in March. He said that this will allow the Commission to have a feeling of what the majority of the people of Wildomar wanted and by this time they should be able to make up their own minds.

Commissioner Henderson disagreed with Commissioner Buster because today's hearing was going to repeat itself.

Commissioner Buster stated that the public hearing did not have to be re-opened at that time.

Commissioner Jeffries commented that if the Commission went with Commissioner's Buster idea; if there was a way to come back from the Registrar of Voters after the vote was taken to determine the communities' wishes. He said that if the results came back overwhelmingly not in support of the entire area, it would make the whole issue moot. He said that if it came back with the yellow area clearly in favor of the vote and we saw that the gray area was not in favor then we were going to be right back at the beginning.

Commissioner Buster stated that the information will be available precinct by precinct. He stated that this will only be an advisory vote and was not part of the legal process.

Commissioner Buster stated that the State Law had given the Commission the legal ability to make the decision needed at this time but he said that the people needed to be listened to.

Commissioner Starrs stated that it seemed to him that the Commission was going on a completely different direction. He said that the Commission had a group in an area that approached the City and asked to be annexed to that City and came to LAFCO to start the process. He said that the Commission owed it to that process to follow through today with a yes or no to vote for the proposal that was before the Commission. Commissioner Starrs stated

that the people did what the Commission asked them to do therefore; it was incumbent upon them to follow LAFCO's procedures and make a decision.

Commissioner Tavaglione was not in favor of delaying action on this matter. He moved to annex the yellow area approving the sphere for the annexation area, allowing the remaining Wildomar Community to remain a UC and determine their destiny during that period. Commissioner Starrs seconded the motion.

Chair Jeffries stated that there was a motion on the floor that called for proceeding with the annexation process removing the sphere of influence back to the annexation area only allowing the UC to remain in place throughout the remaining portion of Wildomar.

Mr. Spiliotis said that the Mayor's letter requested that the Commission come back in a month to address some of the issues regarding terms and conditions of the annexation.

Chair Jeffries asked Mr. Rank if there was anything else to be added to the motion and Mr. Rank responded that if it was going to be continued then nothing else needed to be added until the next hearing.

Mr. Spiliotis stated that the Municipal Service Review determinations will have to be adopted as well. He said that the motion should also include the adoption of those determinations because they were exempt from CEQA and it was only a planning study. He said that the Commission will come back for a formal adoption in January.

Mr. Rank stated that the adoptions in January will include the terms and conditions necessary to fulfill the wishes of the Commission. He said that it will also include the mitigated negative declaration done by the City of Murrieta in its initial application.

Commissioner Buster stated that the Commission by approving the annexation had made it impossible for the rest of the area to be able to some day incorporate. He said that this decision created a division among the both communities. He said that it was a sad precedent and this decision opened the way for other areas for partial annexations.

Chair Jeffries asked if it was appropriate to ask the City of Murrieta to come back with a subsequent annexation proposal for the remaining portion of Wildomar at a later date. He said that if the answer was yes, shouldn't the Commission consider that now? He said that he did not support breaking the community.

Commissioner Tavaglione stated that they had done the same with the City of Corona and if it was legally appropriate then, why can this be done in this situation.

Mr. Spiliotis stated that the condition had to be met prior to the recording of the Certificate of Completion for the current annexation.

Commissioner Henderson commented that the remainder of the area did not want to annex to the City of Murrieta.

Chair Jeffries stated that the motion was to authorize the annexation process, remove the sphere of influence to only include the proposed

annexation area and allow the UC to remain in the rest of the area not being annexed.

Commissioner Tavaglione asked Muni Financial if the yellow area became annexed, if the remaining area will be able to become a city in the future. He also asked if financially, the Commission was cutting off the options for the remaining portions of Wildomar. Mr. Spencer responded that under current law, the projections for incorporation of the entire area showed positive for incorporation in approximately 10 years. However, he said, that either way, they were starting with a tremendous deficit. Mr. Spencer said that under the time horizon of the study of 20 years leaving the north area to attempt to incorporate on its own, it would not appear to be feasible.

Commissioner Henderson asked what if the VLF was reversed. Mr. Spencer stated that if the VLF was reversed, they will be in a situation where the entire area could very well be feasible. However, with the VLF reversed the north area would still not be able to incorporate by itself because of fiscal concerns.

Mr. Spencer stated that the fiscal feasibility of annexing the north area in the future under any VLF scenario was much more likely than the fiscal feasibility of a new city in the north area.

Commissioner Buster disagreed with splitting the community because the north area will be left unable to ever be able to incorporate.

Commissioner Tavaglione stated that he was having second thoughts regarding his motion. He said that he would like to see more of the urbanized communities become cities. He said that the County did not do as good a job as the Cities regarding services. He said that he did not want to break up a community. He said that he did not want to be part of jeopardizing the future of a community. He said that it was an easy road approving the annexation but then they will be leaving the remaining community in flux. Commissioner Tavaglione withdrew his motion.

Commissioner Buster suggested continuing the proposal for six months.

Commissioner Lowe moved Commissioner Tavaglione's previous motion to approve the annexation, roll back the sphere of influence to include only the approved annexation area and keep the UC designation for the remaining portion of Wildomar and adopt the MSR findings and exemption from CEQA and return in January with specific details of the approval. Commissioner Henderson seconded the Motion.

3/4 (Hird, Jeffries, Tavaglione and Buster, No)

Mr. Hird stated that they still had not addressed the issue. He said that the issue was that they still had to revisit the same concerns only now they had postponed it for a while. Commissioner Hird stated that Commissioner Buster will have to put together a group that will come back to the

Commission within six months and hopefully then the Commission will be in a better position to make a decision.

Commissioner Hird moved to bring back this proposal in six months. The motion died for lack of a second.

Pursuant to Commission Rules, the failure to take action on an item due to lack of the required number of affirmative votes automatically adjourns the item(s) to the next regular meeting.

8. PUBLIC COMMENTS.

There were no public comments.

9. EXECUTIVE SESSION:

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

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION.

Subdivision (a) of Section 54956.9:

- a. **Regency Outdoor Advertising, Inc. et al. vs. LAFCO et al.**
(Case No. RIC 393 995)

With respect to every item of business to be discussed in closed session held pursuant to Section 54957:

There was no executive session.

10. ADJOURNED.

The Commission adjourned at 5:15 p.m.

Respectfully,

George J. Spiliotis
Executive Officer