

**MINUTES
MAY 27, 2004**

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

Absent: John Tavaglione

Present Staff: George J. Spiliotis, Executive Officer
Wayne Fowler, Local Government Analyst III
Adriana Romo, Local Government Analyst I
Crystal Craig, 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 9:03 a.m.

2. **APPROVAL OF MINUTES OF April 29, 2004.**

Minutes were approved as presented.

3. **HEARINGS:**

Consent:

a. LAFCO 2004-03-3-Annexation 79 to County Service Area 143.

Moved (Lowe) seconded (Buster) to approve LAFCO 2004-03-3-Annexation 79 to County Service Area 143.

7/0

New:

b. LAFCO 2003-46-5-Cabazon County Water District Activation of Latent Powers for Wastewater Function.

Mr. Spiliotis presented a brief report on this item.

Chair Henderson opened the public hearing.

Harvey Williamson, Board President, Cabazon County Water District. Mr. Williamson spoke in favor of this request.

Chair Henderson closed the public hearing.

Moved (Lowe) seconded (Venable) to approve LAFCO 2003-46-5-Cabazon County Water District Activation of Latent Powers for Wastewater Function.

7/0

c. Final Budget for Fiscal Year 2004-2005.

Mr. Spiliotis gave a brief presentation on this item and stated that the Final Budget contained minor changes from last month's proposed budget. He mentioned that the most significant change was the shifting of \$25,000 from this year's budget to next year's budget reserved for the municipal service reviews. He said that there were other small changes, but were not significant. He also commented that staff had not received any comments from any of the affected agencies.

Chair Henderson opened the public hearing and there being no opponents or proponents wishing to speak the public hearing was closed.

Moved (Hird) seconded (Lowe) to approve the Final Budget for Fiscal Year 2004-2005 as presented by staff.

7/0

4. RECEIVE AND FILE:

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

The Commission acknowledged receipt of five proposals.

b. **MONTHLY EXPENDITURE REVIEW.**

The Commission received and filed the Monthly Expenditure Review Report.

5. DISCUSSION OF WATER SERVICE ISSUES IN CITY OF RIVERSIDE/WESTERN MUNICIPAL WATER SERVICE AREA.

Mr. Fowler gave a brief report on this item.

Moved (Buster) seconded (Venable) to continue the Discussion of Water Service Issues in City of Riverside/Western Municipal Water Service Area to July 22, 2004, as requested by Staff.

7/0

6. SPHERE OF INFLUENCE STUDY SESSION.

Mr. Spiliotis stated that this was a brain-storming session. He stated that recently, the Commission acknowledged the role the spheres can potentially play in trying to settle annexation issues before hand. He said that there was a lot of work to do since there had not been a strong sphere of influence program. He said that there were some minimal policies in place right now that provided direction to staff and the Commission. He said that the Commission might want to look at establishing additional policies and guidelines to help them make determinations regarding new developments and the municipal service reviews of spheres of influence.

Mr. Spiliotis provided some ideas for discussion outlined in the staff report which he discussed in detail.

Commissioner Buster stated that it would be very helpful to find out what the current capacity, backbone infrastructure will be for water and sewer services and how it inter-related with the city's plan and their sphere areas.

Chair Henderson commented that she believed that some of the significant amount of information that will come out of the Municipal Service Reviews was going to cross over in the logical establishment of spheres of influence when it came to various services.

Mr. Spiliotis stated that it was not necessary to wait for the outcome of the MSRs in order to discuss general spheres of influence policies. However, he said that it was required to have the MSRs for an area before a determination was made on a specific sphere of influence.

Commissioner Lowe asked if a city was formed what was Valley-Wide Park and Recreation District or any other district's obligation to that city. She also asked if a city can form their own park and recreation departments and detach from any particular park district. She said that these were some of the concerns she had.

Mr. Spiliotis stated that her comments went along with the second idea in his report having the spheres be more of a policy document than just a line on a map.

Chair Henderson stated that it was her understanding that Mr. Spiliotis was looking for a direction on the three policy ideas presented today.

Mr. Spiliotis went through the list as follows: Regarding establishing a planning horizon, utilizing a city's general plan, planning horizon as the planning period for a sphere of influence. The Commission responded in the affirmative.

Mr. Spiliotis commented regarding the second idea establishing SOIs as something more than a line on a map. He said that this idea suggested having policy text for spheres of influence rather than only having a line on a map. Chair Henderson stated that she would like to have more discussion in the future regarding the text on the policy.

Commissioner Jeffries asked for Mr. Spiliotis' interpretation regarding the policy text. Mr. Spiliotis responded that the policies could be regarding the relationship between a city and the future service responsibility of a district that is within the city's sphere. Chair Henderson stated that they would like to see the policy address these issues as well. Policies could be application of general Commission policies to individual agencies.

The third concept was to establish separate spheres of influence for different services provided by an agency. Mr. Spiliotis recommended to the Commission to not pursue this at this time. The Commission agreed with Mr. Spiliotis' recommendation.

To clarify, Mr. Spiliotis stated that it was his understanding that he was deleting idea no. three and that he will be pursuing the first two which he will bring back at a future meeting.

7. SELECTION OF CONSULTANT - MUNICIPAL SERVICE REVIEWS FOR NORTHWEST AND SOUTHERN COACHELLA VALLEY.

Chair Henderson stated that this was a request from staff to move forward with the MSRs.

Moved (Hird) seconded (Venable) to allow the Executive Officer to bring before the Chair the final recommendation for final selection and authorize the Chair to execute the professional services agreement.

8. POSITION ON ASSEMBLY BILL 2306.

Mr. Spiliotis presented the report. Mr. Spiliotis stated that Assembly member Richman had introduced legislation that would prohibit LAFCO from applying conditions to annex areas outside of the original proposals. He said that this was a tool that the Commission had used to improve boundaries. Mr. Spiliotis recommended the Commission to oppose this bill.

Moved (Hird) seconded (Venable) to authorize the Chair to sign the letter stating the Commission's opposition to AB 2306.

9. SUMMER MEETING SCHEDULE.

The Commissioned agreed to maintain its regular fourth Thursday schedule through the summer.

10. MISCELLANEOUS STAFF REPORTS.

Mr. Spiliotis stated that the Wildomar Incorporation Committee had started to circulate a petition. He reminded the Commission that it had adopted a policy in 2003 requiring the completion of a preliminary fiscal analysis prior to filing a notice of intent to circulate a petition for incorporation. Although the study being sponsored by the City of Murrieta, the County, and LAFCO would meet the requirement, it will not be completed until July or August. Therefore, they do not have a valid filing of a Notice of Intent. He said that the WIN Committee did not believe that LAFCO had the authority to establish a pre-requisite for filing a Notice of Intent

to Circulate a Petition; therefore, they were now circulating their petition. He said that at this point all parties involved agreed to disagree. He said that with the policy in place his hands were tied. He said he would determine that the petitions are invalid because they did not have a valid Notice of Intent to Circulate a Petition. He said that he just wanted to bring this matter to the Commission's attention and that this was not an action item.

Commissioner Buster stated that he had not been contacted in advance by residents regarding this matter. He said he did not think it was a good idea to waive the policy. He asked Mr. Spiliotis if most of the information needed for the fiscal analysis will be provided by the upcoming report. Mr. Spiliotis responded that by the time they would be ready to do a fiscal analysis, the current report would require some updating.

Commissioner Jeffries asked Mr. Spiliotis if a city in any other circumstance propose an annexation without a fiscal analysis? Mr. Spiliotis responded that the current study would satisfy the requirement for both the annexation and incorporation efforts.

Commissioner Lowe commented that all this did was confuse the residents.

Mr. Joe Rank, LAFCO Counsel, commented that one of the issues he discussed with their consultant was that this LAFCO had a history of incorporations proposals coming forth without any merit. He said that to request to have a preliminary fiscal analysis was a legitimate request on the part of LAFCO.

11. PUBLIC COMMENTS.

Gary Grant, 27065 Jarvis St., Meadowbrook, CA. Mr. Grant discussed concerns regarding the amount of residential land uses approved compared with commercial uses and other issues.

12. 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.

13. ADJOURNED.

The Commission adjourned at 10.21 a.m.

Respectfully,

George J. Spiliotis
Executive Officer