

MINUTES
SEPTEMBER 23, 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 9:00 a.m.

2. **APPROVAL OF MINUTES OF JUNE 24, 2004 AND AUGUST 26, 2004.**

Minutes were approved as presented

3. **HEARINGS:**

Consent:

- a. LAFCO 2004-09-3-Reorganization to Include Annexation into Rancho California Water District, Eastern Municipal Water District and the Metropolitan Water District of Southern California. **(Staff recommended continuance to October 28, 2004)**

Moved (Lowe) seconded (Jeffries) to continue LAFCO 2004-09-3-Reorganization to Include Annexation into Rancho California Water District, Eastern Municipal Water District and the Metropolitan Water District of Southern California to *October 28, 2004*.

6/0 (Tavaglione absent)

- b. LAFCO 2004-18-1-Annexation 24 to County Service Area 132.

Moved (Lowe) seconded (Jeffries) to approve LAFCO 2004-18-1-Annexation 24 to County Service Area 132.

6/0 (Tavaglione absent)

- c. LAFCO 2004-19-3-Reorganization to Include Annexation 78 to County Service Area 103 and Concurrent Annexation to Valley-Wide Recreation and Park District

Moved (Lowe) seconded (Jeffries) to approve LAFCO 2004-19-3-Reorganization to Include Annexation 78 to County Service Area 103 and Concurrent Annexation to Valley-Wide Recreation and Park District.

6/0 (Tavaglione absent)

Continued:

- d. 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. **(Continued from August 26, 2004; Staff recommends continuance to October 28, 2004)**

Moved (Buster) seconded (Hird) to continue 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 to *October 28, 2004*.

6/0 (Tavaglione absent)

Commissioner Tavaglione arrived at 9:10 a.m.

New:

- e. LAFCO 2004-20-4-Reorganization to Include Annexation 16 to the City of La Quinta, the La Quinta Lighting and Landscape District 89-1 and Concurrent Detachments from the Southern Coachella Valley Community Services District, County Service Area 125 and the Riverside County Waste Resources Management District.

Mr. Fowler presented the proposal.

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

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-20-4-Reorganization to Include Annexation 16 to the City of La Quinta, the La Quinta Lighting and Landscape District 89-1 and Concurrent Detachments from the Southern Coachella Valley Community Services District, County Service Area 125 and the Riverside County Waste Resources Management District.

7/0

New:

- f. Municipal Service Reviews for Water and Wastewater Services-Coachella Valley and Western Riverside County.

Mr. Spiliotis gave a broad overview of the Water and Wastewater Municipal Service Reviews report. He stated that one of the Commission's responsibilities after the reviews were completed was to

prepare a written statement of determinations addressing the factors outlined in the report. He said that with the assistance of Mr. Tom Levy, Dudek and Associates was retained to prepare the Water and Wastewater MSRs for the three regions of the County. He said that the report that will be presented at this time will only be for the Western Riverside County and the Coachella Valley. He introduced Joyce Crosthwaite, the consultant's project manager who proceeded to present an overview of the two Water and Wastewater MSRs.

Ms. Crosthwaite introduced the Dudek staff. She said Mr. Russ Bergholz, Ms. Caroline Schaffer, Sr. Planner and Mr. Andrew Garner, Planner had greatly participated in the preparation of the report.

She very briefly went over the service review process and quickly went into the heart of the matter which was the infrastructure section for Western Riverside. She introduced Mr. Russ Bergholz who presented this section. Thereafter, she went over the remainder of the determinations.

Mr. Bergholz discussed the infrastructure portion of the MSRs. He discussed the first set of slides which were the profile, the next set of slides he addressed were the water flow diagram they developed and third slide discussed was the results of the supply and demand analysis done on the agencies.

Ms. Crosthwaite discussed the determinations of Western Riverside regarding, Population growth, Financing Constraints/Opportunities, Cost Avoidance Opportunities, Opportunities for Rate Restructuring, Opportunities for Shared Facilities, Evaluation of Management Efficiencies, and Local Accountability and Governance as well as possible Government Structure Options regarding reorganizations, consolidations and dissolutions of agencies. She said that they needed to get all the possibilities regarding size and services before the Commission because if there were changes in population or growth service area, LAFCO could determine which agencies they would like to investigate further for possible changes. She went over the water agencies that could more efficiently work together listed on the slide.

Ms. Crosthwaite reintroduced Mr. Bergholz who presented the Coachella Valley region. He proceeded to cover the infrastructure needs and deficiencies of that area in regards to water supply demand projections and sewer services.

Ms. Crosthwaite stated that there were no significant issues regarding the seven determinations in relation to the Coachella Valley. She said that the agencies were meeting the approximate needed measurements and all were doing a good job in that area.

She proceeded to discuss the government structure options. She said that due to the growth in the area, at some point LAFCO and the agencies may want to revisit these options to see if some efficiencies can be gained. She proceeded to discuss these possibilities and possible mergers. She stated that they were recommending updating the profiles annually. She said that although it was a lot of work, LAFCO

will have a good database of information in regards to supply and demand and the agencies could be used for the next service review process if requirements continue.

Commissioner Tavaglione asked Ms. Crosthwaite if she had had problems obtaining the needed information from the agencies. Ms. Crosthwaite responded that there were a few agencies that did not respond to the questionnaire. She said that in the report were noted as "NPs", not provided. Commissioner Tavaglione commented on the presentation stating that regarding the areas he represented, there was critical information that was not provided. He said that many of these areas were growth intensive. He asked what was their suggestion on improving, obtaining the required information in the future. Ms. Crosthwaite stated that her recommendation was to provide staff with a list of agencies that critical information was very much needed. She stated that hopefully, that information can be forwarded to the Commission for further discussion.

Commissioner Starrs, commented that it was an excellent report. He expressed concern with the Coachella Valley's presentation. He stated that it gave an impression that all was well in that area. He said that the information regarding having water for 400 years was not accurate. He said that he was going to ask his general manager to go over this information with Mr. Bergholz to see where this material came from. He said that other than that he was very pleased with the outcome of the report. Ms. Crosthwaite stated that the data on supply and demand was based on the information the agencies sent to them from the urban water management plans and a wide variety of engineering studies.

Mr. Spiliotis commented that there was a huge variation regarding the level of participation from the agencies. He said that some of the agencies were extremely cooperative. He said that they provided all information requested of them in a short period of time. However, with other agencies, it was difficult to obtain the same information requested. He said that with some agencies there was little incentive to provide the information required because they had no business with LAFCO.

He also commented regarding the errata sheets where a few of the summary tables were updated.

Commissioner Jeffries commented regarding the restructuring and merging of districts. He asked if it would better to get the two Home Garden districts to consolidate as one or create a new community services district. Ms. Crosthwaite stated that regarding the two Home Gardens Districts one was interested in consolidation but the other was not interested. She said that they were not interested in annexing to the City. Mr. Spiliotis stated that Home Gardens had many difficult issues. He said that there was never any interest among the two cities bordering the districts to annex the Home Gardens area.

Commissioner Tavaglione stated that the more improvements the County was doing the less that area wanted to annex to a city. However, he

said that regarding both Home Garden District eventually they will have to consolidate in some way for efficiency and cost benefits.

Commissioner Tavaglione asked when the Commission was going to look at the park districts. Mr. Spiliotis stated that they were included with the remainder of the municipal service reviews.

Commissioner Hird commented regarding the water supply in the Coachella Valley. He said that they were going to have to take in consideration the feasibility of extraction and what the cost was going to be when they got down to the lower limits. He said that it was extremely important to realize the difference between the physical and the practical limits of water supply.

Chair Henderson suggested to Ms. Crosthwaite using one definition or another to be in conformity regarding acres or square miles in the report.

Mr. Spiliotis suggested opening the public hearing at this time and bringing the report for final adoption in December or January to allow time for corrections.

Commissioner Tavaglione asked Mr. Spiliotis how the Commission was going to carry out the merging or dissolution of districts. Mr. Spiliotis responded that the only types of actions that the Commission could initiate on its own were consolidations and dissolutions of special districts. He said that in the past the position of the Commission had been that for the Commission to initiate an action should be the last option. Commissioner Tavaglione agreed with Mr. Spiliotis stated that the districts should know that LAFCO had that option because some of those districts were not doing their job. He said what he can do was to provide them with a comprehensive list of possible merges or consolidations. He said that there was a piece of legislation that he had just come aware of at the CALAFCO Conference where it will make the consolidation of different types of agencies simpler or easier after January 1st.

Chair Henderson opened the public hearing.

Gary Grant, 27068 Jarvis St., Perris, CA. Mr. Grant asked if the review was only for the unincorporated areas. Mr. Spiliotis responded that it was for all water and waste water agencies regardless whether it was incorporated or not. Mr. Grant expressed concern with the services being provided to one group and not the rest.

Dan Parks, Coachella Valley Water District. Mr. Parks addressed the lack of data in the report in regards to the water supply. He said that the report needed more data to make it accurate. He stated that he will be working with staff to provide the consultants with the required data.

Chair Henderson stated that Mr. Parks' comments were well taken, and it was obvious that he had information that needed to be included in the report; therefore, she suggested, that he work with Mr. Spiliotis regarding this matter before the final document was adopted.

Chair Henderson closed the public hearing.

The Commission directed staff to bring back the final document for approval at the same time the other remaining water/waste water service reviews will be before the Commission.

4. RECEIVE AND FILE:

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

The Commission acknowledged receipt of four proposals.

- b. **MONTHLY EXPENDITURE REVIEW.**

The Commission received and filed the Monthly Expenditure Review Report.

5. REQUEST FOR FEE WAIVER - CITY OF HEMET ANNEXATION OF "PONDEROSA".

Moved (Buster) seconded (Jeffries) to approve the Request for Fee Waiver-City of Hemet Annexation of "Ponderosa".
7/0

6. MISCELLANEOUS STAFF REPORTS.

At Commissioner Hird's request, Mr. Spiliotis provided highlights of the Annual CALAFCO Conference. He said that of particular interest was the session on the implications of the new State budget on incorporations and annexations.

7. PUBLIC COMMENTS.

There were no public comments.

8. 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.

9. ADJOURNED.

The Commission adjourned at 10:47 a.m.

Respectfully,

George J. Spiliotis
Executive Officer