

MINUTES
May 26, 2005

Present Kevin D. Jeffries
Commissioners: Robin Lowe
 Robert E. Hird
 Phil Williams
 Bob Buster
 John Tavaglione
 Terry Henderson

Absent: Ron Starrs

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 9:05 a.m.

1.2 **ROLL CALL.**

Alternate Commissioner Williams served in Commissioner Starr's absence.

2. **APPROVAL OF MINUTES OF April 28, 2005.**

Minutes were approved as presented.

3. **HEARINGS:**

Consent:

- a. LAFCO 2004-55-1-Annexation 25 to County Service Area 132.

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-55-1-Annexation 25 to County service Area 132.

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- b. LAFCO 2005-01-3-Annexation 59 to County Service Area 84.

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-01-3-Annexation 59 to County Service Area 84
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- c. LAFCO 2005-02-1-Annexation 26 to County Service Area 132.

Moved (Lowe) seconded (Hird) to approve LAFCO 2005-02-1-Annexation 26 to County Service Area 132.
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- d. LAFCO 2005-03-1-Annexation 77 to County service Area 103.

Moved (Lowe) seconded (Hird) to approve LAFCO 2005-03-1-Annexation 77 to County Service Area 103.
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- e. LAFCO 2005-05-1-Annexation 26 to County Service Area 87.

Moved (Lowe) seconded (Hird) to approve LAFCO 2005-05-1-Annexation 26 to County Service Area 87.
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Continued:

- f. LAFCO 2004-39-1-Reorganization to Include Annexation 100 to the City of Riverside. **(Staff recommended continuance to June 23, 2005)**

Moved (Lowe) seconded (Henderson) to continue LAFCO 2004-39-1-Reorganization to Include Annexation 100 to the City of Riverside to *June 23, 2005* as recommended by staff.
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- g. LAFCO 2004-40-5-Minor Sphere of Influence Amendments to Beaumont Cherry Valley Water District (removal) and Yucaipa Valley Water District (addition) and Annexation to the Yucaipa Valley Water District. **(Staff recommended continuance to June 23, 2005)**

Moved (Lowe) seconded (Henderson) to continue LAFCO 2004-40-5-Minor Sphere of Influence Amendments to Beaumont Cherry Valley Water District (removal) and Yucaipa Valley Water District (addition) and Annexation to the Yucaipa Valley Water District to *June 23, 2005* as recommended by staff.
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- h. LAFCO 2004-61-4-Southern Coachella Valley Municipal Service Review.
and
LAFCO 2004-60-1, 2&5-Northwestern County Municipal Service Review.

Mr. Fowler presented both Municipal Services Reviews and thereafter he introduced Mr. Lloyd Zola, the LSA Consultant.

Mr. Zola gave a brief history and introduction of the Municipal Service Reviews. Thereafter, he followed the power point presentation presented to each Commissioner. He said that the Cortese/Knox/Hertzberg Act stated that

each LAFCO must update their spheres of influence by January 1, 2006. He said that there were nine required determinations that the Commission will be asked to make for each of the agencies and they were as follows: Infrastructure needs and deficiencies, Growth and population projections for the affected area, Financing constraints and opportunities, cost-avoidance opportunities, opportunities for rate restructuring, opportunities for shared facilities, Government structure options, Evaluation of management efficiencies, Local accountability and governance.

Mr. Zola outlined the process used in collection and compilation of data, including an initial kick-off meeting with affected agencies, circulation of an Agency Review Draft and a subsequent Public Review Draft.

He proceeded to walk the Commission through the basic findings, conclusions and recommendations related to each of the cities and agencies as outlined in the power point presentation. After his presentation, he said he was available for any questions.

Commissioner Tavaglione asked if the Commission's goal was now to establish a process or criteria to have orderly annexations with consistent boundaries. Mr. Zola stated that the idea of the municipal service review process and updating the spheres was so that the Commission looked at the spheres and boundaries in the same way they would look at the general plan projects.

Commissioner Tavaglione stated that when they had certain unincorporated communities surrounded by a city, it did not make any sense for the unincorporated island to be served by the County. He said that it was not efficient.

Commissioner Henderson asked in regards to the kick-off meetings how were they held. Mr. Zola stated that two were held one in Western Riverside County, specifically, the City of Riverside and the other one was at the City of La Quinta. He said that at those meetings the process and needs for information were discussed. He said that following the kick-off meeting, they worked with each agency individually to make sure they had the needed information to make the determinations.

Commissioner Henderson asked if the information received was reviewed and asked once the information was reviewed, if the language was changed and included in their reports. Mr. Zola said that they tried to make it as easy for each individual agency as possible. He said that they made revisions based on the agency's comments prior to the document becoming public.

Commissioner Henderson praised the report, and stated that although it was a great report, there was still data that was not accurate.

Mr. Zola stated that if the agencies had information that needed to be updated, he said to provide that information to him and he will update the service review.

Ms. Henderson discussed overlapping boundaries and services of the CSAs. She said that although the services were separated, she asked how did it work with the assessments being paid by two different assessment districts. She asked Mr. Zola to elaborate on this issue.

Mr. Zola stated that there were a couple of different issues, one was the various lists that the CSAs had, one being a list of parcels and assessments, and another a list of parcels and services. He said that they noticed inconsistencies between them. He said that EDA was working in resolving those inconsistencies. He said that the second issue was where the County Service Area was providing the same services as a particular district or adjacent agency. He said that there were some situations where there were assessments going to a County Service Area where that service area could be combined as part of a district. He said that in the lighting districts where the services were overlapping in a particular CSA, they were suggesting to combine the district and CSA for the needed services.

Commissioner Lowe said that regarding the City of Indio and tribal lands she was not able to identify them on the map. Mr. Fowler pointed the location of those areas on the map.

Commissioner Lowe asked Commissioner Tavaglione if there had been some form of communication regarding the Jurupa issue. Commissioner Tavaglione responded that there had been some progress and the dialogue was continuing.

Commissioner Lowe stated that regarding the comment made stating that the development of adjacent properties to a city should be assumed by the city; she disagreed with that comment because a lot of those areas did not wish to be annexed to a City.

Commissioner Lowe commented regarding the special district auditing and the removal of dormant CSAs. She asked what exactly EDA was going to do about that issue? Commissioner Tavaglione responded that it was the Board of Supervisors' responsibility to handle that issue.

Commissioner Lowe asked if the City of Lake Elsinore was in a critical deficit, if there was a problem regarding providing services. Mr. Zola responded that the City of Lake Elsinore had deferred some road widening and other improvement projects. He said that at this time, they were deferring capital projects to make the budget work.

Commissioner Williams asked that now that they had pointed out the deficiencies what do they do now? Do they stop annexations or stop building? What do they do with those reports?

Mr. Spiliotis stated that LAFCO's authority was limited. He said that if it was a case of whether an entire agency should exist or should consolidate, LAFCO had the authority to initiate those types of proposals. He said that

the other problems identified as annexations that should occur, LAFCO did not have that authority to initiate those annexations. He said that LAFCO was limited to working with the agencies and with the community to encourage them to initiate that particular proposal. He said that the purpose of the MSRs was a tool to use to review spheres of influence. He said that the

spheres of influence did not change boundaries; he said that they merely suggest to the agencies and the public how boundaries should exist in the future.

Commissioner Williams commented that he was under the understanding that Quimby Fees could only be used for new parks. He said he noticed that Coachella Valley was using the money to finance the debt of existing parks. He asked if this was a true statement. Mr. Rank responded that Quimby Fees could be used for other than new parks. He said that they can be used for refurbishing an existing park. However, he said that that money could not be used for paying off previous debt prior to the development that the Quimby Fees were coming from.

Commissioner Henderson commented that it was not appropriate for the Commission to discuss the City of Lake Elsinore's deficit.

Commissioner Henderson asked if there was a possibility for staff to create a written plan for the Commission outlining possible suggestions as to the direction the Commission should follow based on the MSRs.

Commissioner Buster commented that the MSRs and its findings will help the Commission make better annexation decisions in the future.

Commissioner Lowe asked regarding the Jurupa Community Services District providing services to a mobile home park that was not in their revenue base. She asked how they would justify that in an audit or on a yearly report. Mr. Zola responded that there was a service contract with the mobile home park to provide those services.

Chair Jeffries opened the public hearing.

Susanne Holland, Riverside County EDA Department. Ms. Holland gave a brief history regarding the services provided by the CSAs. Ms. Holland stated that they had been working with LAFCO staff to make some revisions to the program as a whole. She said she was available for any questions from the Commission.

Commissioner Buster asked Ms. Holland when was the last audit conducted for the CSAs. Ms. Holland responded that the last audit was done approximately in 1988. She said that they were looking at doing a financial audit in the near future.

Patti Nahill, 3900 Main Street, Riverside, CA 92522. She said that she hoped that LAFCO would share with her some of the Exhibits that LSA had prepared on the County Website. She said that the CSA Audits were very much needed and was glad that they are now going to be done. She stated that in their response to the MSRs, the City of Riverside was looking to keep the sphere of influence where it currently was because the City had put one of its priorities regarding growth and annexations. She said that the City of Riverside had heard the concerns of the constituents of the City of

Riverside and were taking a comprehensive look at annexations. She asked the Commission to keep the City of Riverside's sphere where it currently was. She said that the City will provide the Commission with updates as they went

along with future annexations. She said she was available for any questions.

Douglas R. Evans, Director of Community Development, City of La Quinta, P. O. Box 78-495, La Quinta, CA 92247-1504. Mr. Evans stated that they will continue to work regarding Commissioner Henderson's concern in regards to public safety issues and will continue to update staff on new developments. He said that he was available for questions.

Garry Grant, 27068 Jarvis St., Perris, CA 92570. Mr. Grant expressed concern regarding the responsibility of the LAFCO Commission in regards to urban sprawl.

Chair Jeffries closed the public hearing.

Commissioner Henderson asked Mr. Spiliotis to go over the recommendations for each of the determinations. Mr. Spiliotis stated that the determinations were all put together in one place in the green book. He said that they were organized by area and agency. Mr. Spiliotis asked Mr. Fowler to go over those determinations as outlined in the green book and the power point presentation.

Mr. Fowler also said that along with the receive and file of the MSRs, he was asking that as more information continue to come in, staff would be able to update the MSRs with the newly received information.

Mr. Spiliotis stated that staff recommendation was to receive and file the report, adopt the determinations and make modifications as deemed appropriate.

Commissioner Tavaglione asked how they were going to make the modifications.

Mr. Spiliotis stated that in the case of water and waste water service reviews, they had information presented at the final hearing and staff was directed to make those modifications to the report. However, he said that he had not seen anything at this hearing that would warrant a modification.

Moved (Tavaglione) and seconded (Buster) to find that the Municipal Service Reviews are exempt from CEQA review pursuant to Section 15306 of the CEQA Guidelines in the Municipal Service Reviews consist of basic data collection, research and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource, Adopt the required determinations included within the MSRs for each agency reviewed, Receive and file the Municipal Service Reviews - LAFCO 2004-60-1,2&5 Western Riverside County and LAFCO 2004-61-4 Southern Coachella Valley, Authorize the Executive Officer to, as additional comments are received to post that information as appendices or errata to the reports. Also moved that the Commission come back and spend an entire LAFCO morning setting a firm policy based on the information received.

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Mr. Spiliotis stated that if there were changes significantly enough to change the recommended determinations, they can revisit those determinations

in the future. Mr. Spiliotis stated that one of the difficulties of doing the MSRs was looking at multiple agencies because each one of those agencies was going to have ongoing changes all the time, therefore, it was going to be difficult to keep current all the time.

- i. LAFCO 2004-56-3-Reorganization to Include Annexation 04-146 to the City of Hemet and Detachment from County Service Area 152 and the Riverside County Waste Resources Management District.

Mr. Fowler presented the proposal and stated that staff was recommending approval of the proposal.

Chair Jeffries opened the public hearing.

Bernard Chase, Planning Department, City of Hemet, 445 E. Florida Avenue, Hemet, CA. Mr. Chase expressed his support for staff's recommendation.

Mark Orme, City of Hemet, 445 E. Florida Avenue, Hemet, CA 92543. Mr. Orme expressed his support for staff's recommendation.

Jim Morrissey, 41738 Fulton Avenue, Hemet, CA 92544. Mr. Morrissey stated that he was representing the applicant. He stated that the land designation had always been urban land designation. He said that the plan the Commission had before them was of lesser intensity use than what the City of Hemet's General Plan specified. He said he was available for questions.

Chair Jeffries closed the public hearing.

Moved (Lowe) seconded (Hird) to approve LAFCO 2004-56-3-Reorganization to Include Annexation 04-146 to the City of Hemet and Detachment from County Service Area 152 and the Riverside County Waste Resources Management District.

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- j. LAFCO 2005-04-3-Reorganization to Include Annexation 61 to County Service Area 84 and Annexation to Valley Wide Recreation and Park District.

Mr. Spiliotis stated that this item should have been on the consent calendar as well.

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

Moved (Lowe) seconded (Henderson) to approve LAFCO 2005-04-3-Reorganization to Include Annexation 61 to County Service Area 84 and Annexation to Valley Wide Recreation and Park District.

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- k. LAFCO 2005-06-All-Sphere of Influence Review and Potential Amendments-Cemetery Districts-Coachella Valley Public Cemetery District, Elsinore Valley Cemetery District, Murrieta Valley Cemetery District, Palm Springs Cemetery District, Palo Verde Cemetery District, Perris Valley Cemetery District, San Jacinto Valley Cemetery District, Summit

Cemetery District, Temecula Public Cemetery District, and Wildomar Cemetery District.

Mr. Spiliotis made introductory comments to items k. l. m. and n. He said that these items were sphere reviews of agencies that provided services defined by policy. He said that these services were not directly related to urban growth and development therefore; they were not subject to the MSRs. However, he said that staff still had to review the spheres of influence of those agencies and make changes as appropriate at least once every five years.

Commissioner Jeffries noted for the record that there was corrected information from the San Jacinto Valley Cemetery District.

Commissioner Lowe asked who in the county structure was responsible for these Special Districts. Commissioner Buster responded that the Executive Office was responsible for these Districts.

Mr. Spiliotis stated that the cemetery districts were independent entities. He said that their directors were appointed by the Board of Supervisors. He said that the one that was different was Perris Valley Cemetery District, which the Board of Supervisors had assumed responsibility for overseeing.

Commissioner Henderson pointed out inconsistencies in the recommendations.

Mr. Spiliotis stated that hopefully the maps would clarify some of her concerns. He proceeded to explain and clarify Commissioner Henderson's concerns of those areas as outlined on the map presented to the Commission. Mr. Spiliotis stated that the intent was for the Cemetery District that included the major portion of an affected city to include the entirety of the City's boundaries and the City's sphere of influence. He said that those were only changes to the spheres. He said that LAFCO did not have the authority to change the boundaries of the district.

Commissioner Henderson stated that she wanted to make sure they had the appropriate language making the appropriate recommendations.

Ms. Craig commented on the possibility of consolidating the Elsinore Valley Cemetery District with Wildomar Cemetery District because of the larger area being within the sphere of Wildomar Cemetery District. Mr. Spiliotis stated that they will report back to the Commission on this issue in six months.

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

Moved (Henderson) seconded (Hird) to approve LAFCO 2005-06-All-Sphere of Influence Review and Potential Amendments-Cemetery Districts-Coachella Valley Public Cemetery District, Elsinore Valley Cemetery District, Murrieta Valley Cemetery District, Palm Springs Cemetery District, Palo Verde Cemetery District, Perris Valley Cemetery District, San Jacinto Valley Cemetery District, Summit Cemetery District, Temecula Public Cemetery District, and Wildomar Cemetery District.

1. LAFCO 2005-07-3,4&5-Sphere of Influence Review and Potential Amendments-Health Care Districts-Desert Health Care District, Palo Verde Health Care District, San Gorgonio Memorial Hospital Health Care District and Valley health System. **(Staff recommended continuance to June 23, 2005)**

Moved (Henderson) seconded (Hird) to continue LAFCO 2005-07-3, 4&5-Sphere of Influence Review and Potential Amendments-Health Care Districts-Desert Health Care District, Palo Verde Health Care District, San Gorgonio Memorial Hospital Health Care District and Valley health System to June 23, 2005.

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- m. LAFCO 2005-08-All-Sphee of Influence Review and Potential Amendments-Resource Conservation Districts-Coachella Valley Resource Conservation District, East Valley Resource Conservation District, Elsinore/Murrieta/Anza Resource Conservation District, Inland Empire West Resource Conservation District, Palo Verde Resource Conservation District, Riverside-Corona Resource Conservation District, San Jacinto Basin Resource Conservation District.

Ms. Craig presented the proposal and stated that currently all spheres of influence were currently adequate for the districts in this proposal. However, staff was recommending that they report back in six months on the potential for consolidation of Elsinore-Murrieta-Anza RCD (EMARCD), Riverside-Corona Resource Conservation District (RCRCD), and the San Jacinto Basin Resource Conservation District.

Commissioner Buster recommended that if the consolidation of Riverside-Corona Resource Conservation District did not occur that staff looks at expanding the Riverside-Corona RCD boundaries to the Sycamore Canyon and general areas that will flow within the Santa Ana River and the Box Springs area.

Chair Jeffries opened the public hearing.

Charlotte Fox. She said she was the newly appointed President of the Elsinore-Murrieta-Anza RCD. She said that this issued had come to her attention approximately two days ago; therefore, because there had been no discussion with her board on this issue. She asked the Commission to forward any further documentation on this issue to her personally.

Moved (Henderson) seconded (William) to approve LAFCO 2005-08-All-Sphee of Influence Review and Potential Amendments-Resource Conservation Districts-Coachella Valley Resource Conservation District, East Valley Resource Conservation District, Elsinore/Murrieta/Anza Resource Conservation District, Inland Empire West Resource Conservation District, Palo Verde Resource Conservation District, Riverside-Corona Resource Conservation District, San Jacinto Basin Resource Conservation District as staff recommended.

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n. LAFCO 2005-09-3, 4&5-Sphere of Influence Review and Potential Amendment-Citrous Pest Control District No. 2.

Ms. Romo presented the report.

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

Moved (Henderson) seconded (Hird) to approve LAFCO 2005-09-3, 4&5-Sphere of Influence Review and Potential Amendment-Citrous Pest Control District No.2 as recommended by staff.
7/0

o. Final Budget for Fiscal Year 2005-06

Mr. Spiliotis presented the Final Budget. Mr. Spiliotis stated that last month the Commission had approved a proposed budget which had included \$100,000 to address an increase of volume proposals. Mr. Spiliotis stated that at the same meeting, the Commission also created as a standing Committee an Administrative Review Committee to review budget and staffing issues. He said that Commissioner Hird and Commissioner Starrs were appointed to that Committee and the Chair will always be an ex-officio member. He said that Commissioners Starrs and Hird were in attendance at the meeting and staffing options were discussed. He said that it was the Committee's recommendation to add two positions: A Senior Local Government Analyst and an Office Assistant to help with the growth. He said that adopting of the budget will accommodate funding of both positions, but the actual creation of the positions will be a separate item that will come before the Commission within the next sixty days. He said that due to the increase of revenue projections for this fiscal and next fiscal year the final budget reflected a decrease in net cost of approximately \$80,000.

Commissioner Tavaglione asked when was the last time the Commission had reviewed existing employee salaries. Mr. Spiliotis responded approximately in 2001. Commissioner Tavaglione asked if it was time for the salaries to be reviewed again. Mr. Spiliotis responded that staff positions were being reviewed as well and they will be brought to the Commission for further review in the near future.

Moved (Lowe) seconded (Hird) to approve the Final Budget for Fiscal Year 2005-06.
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4. RECEIVE AND FILE:

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

The Commission acknowledged receipt of ten proposals.

b. **MONTHLY EXPENDITURE REVIEW.**

The Commission received and filed the Monthly Expenditure Review Report.

5. LAFCO 2004-46-4-EXTRA TERRITORIAL SERVICE REQUEST-VALLEY SANITARY DISTRICT.

Moved (Buster) seconded (Lowe) to continue LAFCO 2004-46-4-Extra Territorial Service Request-Valley Sanitary District to June 23, 2005.
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6. APPOINTMENT OF ALTERNATE PUBLIC MEMBER.

Mr. Spiliotis stated that at the Commission's March meeting the commission had appointed an Ad Hoc Committee to review the applicants for the Alternate Public Member position. He said that 15 applications were received and reviewed by the Ad Hoc Committee. He said that the Commission selected three candidates for oral interview, one of which withdrew his application before the oral interview. He said that upon interviewing the final candidates, the Ad Hoc Committee recommended Mr. Stephen J. Tomanelli for appointment by the Commission to a full four-year term as the new alternate public member.

Commissioner Lowe commented that the Committee had many applicants who were already appointed to another municipal commissions. She said that the Committee did not feel it was appropriate that the public member be a member of another Commission and also be a public member of this Commission.

Moved (Hird) seconded (Tavaglione) to appoint Mr. Stephen J. Tomanelli as the Alternate Public Member to a full four-year term.
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7. MISCELLANEOUS STAFF REPORTS.

Mr. Spiliotis stated that the June Agenda will be extremely light and perhaps July as well. He said that the Registrar of Voters was frantically working on a precinct realignment program which had to be completed for the November election. He said that the Registrar of Voters did the LAFCO's mailing labels for the public notices. He said that they will only be able to prepare a fraction of what LAFCO had previously requested.

Commissioner Henderson stated that it would be very appropriate at this time to look at their calendars for the Summer because of all the different schedules.

Mr. Spiliotis stated that he will have an item on next month's agenda to discuss summer meeting schedule.

8. PUBLIC COMMENTS.

Barbara Spencer, 33250 Sunset Avenue, Menifee, CA 92584. She expressed dissatisfaction with the processing of Menifee incorporation.

Garry Grant, 27068 Jarvis Street, Perris, CA 92520. Mr. Grant expressed his concern regarding urban sprawl.

Don Gravett, 27379 Wickerd Road, Menifee, CA 92584. Mr. Gravett expressed his support for incorporation.

Marc Miller, 33320 Merritt Road, Menifee, CA 92584. Mr. Miller expressed his support for incorporation and expressed his dissatisfaction with the processing of Menifee incorporation.

William J Zeidlick, 2133-30141 Antelope Road, Menifee, CA 92584. Mr. Zeidlick expressed concern with the Commission and the Executive Officer in regards to not following the Cortese-Knox-Hertzberg law.

9. ADJOURNMENT.

The Commission adjourned at 12:19 p.m.

Respectfully,

George J. Spiliotis
Executive Officer