

MINUTES
OCTOBER 25, 2007

Present: Robin Lowe, Chair
Bob Buster
Terry Henderson
Al Lopez
Robert Hird
Jeff Stone
Phil Williams

Absent: John Tavaglione, Ron Starrs

Present Staff: George J. Spiliotis, Executive Officer
Wayne Fowler, Senior Local Government Analyst
Adriana Romo, Local Government Analyst II
Crystal Craig, Local Government Analyst II
Elena Medina, Executive Assistant II
Joe Rank, Legal Counsel

1.1 CALL TO ORDER AND SALUTE TO THE FLAG.

The meeting was called to order by Chair Lowe at 9:50 a.m.

1.2 ROLL CALL.

2. APPROVAL OF MINUTES OF SEPTEMBER 27, 2007

Minutes were approved as presented.

3. Consent (Non-Hearing Items):

There were no consent items.

4. PUBLIC HEARINGS:

Continued:

The Commission decided to take Items 4.c.d.e.f.h.i.j.k.and g.

c. LAFCO 2006-90-4-Sphere of Influence Review and Potential Amendments-City of Rancho Mirage and Sphere of Influence Amendments to the City of Cathedral City. (**Continued from August 23, 2007**).

Mr. Fowler presented the proposal as outlined in the staff report.

Chair Lowe opened the public hearing.

Patrick M. Pratt, City Manager, City of Rancho Mirage, 69-825 Hwy 111, Rancho Mirage, CA 92211. Mr. Pratt stated that the City was in support of staff's recommendation and was available for questions.

Moved (Lowe) seconded (Williams) to amend the Sphere of Influence of the City of Rancho Mirage by removing approximately 4,100 acres of territory north of Interstate 10, with the sphere boundary being identified as the centerline of Interstate 10, as shown as Area "A" on the staff report's exhibit; Also amend the sphere of influence of the City of Rancho Mirage by removing approximately 38 acres of territory located east of DaVall road, south of Interstate 10, and north of Century Park Drive as shown as Area "B" on the staff report's exhibit. And further amend the sphere of influence of the City of Cathedral City by removing approximately 40 acres of territory located east of DaVall Road, north of Ramon Road, south of Via Firenza and west of Via Padua as shown as Area "C" on the staff report's exhibit.

7/0

- d. LAFCO 2007-01-5-Sphere of Influence Amendment (addition) to the City of Desert Hot Springs and Reorganization to Include Annexation 34 (Watkins) to the City of Desert Hot Springs and Detachment from the Riverside County Waste Resources Management District. **(Continued from September 27, 2007; Staff recommends continuance to December 6, 2007).**

Moved (Henderson) seconded (Hird) to continue LAFCO 2007-01-5-Sphere of Influence Amendment (addition) to the City of Desert Hot Springs and Reorganization to Include Annexation 34 (Watkins) to the City of Desert Hot Springs and Detachment from the Riverside County Waste Resources Management District to December 6, 2007.

7/0

- e. LAFCO 2006-89-4-Sphere of Influence Review and Potential Amendments-City of Palm Desert.

Mr. Fowler presented the sphere review as outlined in the report.

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

Moved (Henderson) seconded (Stone) to amend the sphere by removing the Del Webb Palm Desert community and all existing sphere of influence areas north of Interstate 10 from the City of Palm Desert's SOI.

7/0

- f. LAFCO 2006-103-3-Sphere of Influence Review and Potential Amendments-County Service Area 146 (Lakeview/Nuevo/Romoland/Homeland).

Ms. Craig presented the sphere review as outlined in the staff report.

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

Moved (Lopez) seconded (Williams) to amend the sphere of influence as per staff recommendation.

7/0

- h. LAFCO 2007-62-4-Eastern Riverside County Water and Wastewater Municipal Service Review.

Ms. Romo presented the MSR Review as outlined in the staff report.

The public hearing was opened.

Margit Chiriaco, President of the Chiriaco Summit County Water District. She said that they were looking at different sources to provide additional water to the area if they were not granted the new contract with Metropolitan Water District.

The Commission received and filed LAFCO 2007-62-4-Eastern Riverside County Water and Wastewater Municipal Service Review as recommended by staff.

- i. LAFCO 2006-145-4-Sphere of Influence Review and Potential Amendments-Chiriaco Summit County Water District.

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

The Commission determined that Chiriaco Summit County Water District is adequate at this time as staff recommended.

- j. LAFCO 2007-11-3,4&5-Mountain Communities Municipal Services review and

- k. LAFCO 2007-12-4-Eastern County Municipal Services Review.

Mr. Fowler presented both municipal services reviews as outlined in the staff report.

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

Moved (Hird) seconded (Williams) to receive and file LAFCO 2007-11-3,4&5-Mountain Communities Municipal Services Review as recommended by staff.

7/0

Moved (Hird) seconded (Williams) to receive and file LAFCO 2007-12-4-Eastern County Municipal Services Review as recommended by staff.

7/0

- g. LAFCO 2006-143-4-Sphere of Influence Review & Potential Amendments-City of Blythe.

Mr. Fowler presented to the Commission the Sphere of Influence Review for the City of Blythe as outlined in the staff report.

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

Moved (Stone) seconded (Henderson) to amend the sphere for LAFCO 2006-143-4-Sphere of Influence Review and Potential Amendments-City of Blythe per staff's recommendation.

7/0

The Commission decided to take items l. and m. at this time.

- l. LAFCO 2007-17-3-Sphere of Influence Review and Potential Amendments-CSA 38 (Pine Cove)

Mr. Spiliotis presented the sphere of influence review as outlined in the staff report.

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

Moved (Stone) seconded (Williams) to determine that the current coterminous sphere of influence is adequate at this time.

7/0

- m. LAFCO 2007-21-3-Sphere of Influence Review and Potential Amendments-Idyllwild Fire Protection District.

Mr. Spiliotis presented the sphere of influence review as outlined in the staff report.

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

Moved (Stone) seconded (Williams) to amend the sphere of influence for Idyllwild Fire Protection District by adding the Pine Cove area as recommended by staff.

7/0

The Commission decided to take items 4.n.o.p.q.r.s. and t. at this time.

- n. LAFCO 2007-20-4-Sphere of Influence Review and Potential Amendments-Palo Verde Irrigation District.

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

Moved (Buster) seconded (Williams) to determine that the current coterminous sphere of influence is adequate at this time.

7/0

- o. LAFCO 2007-19-4-Sphere of Influence Review and Potential Amendments-Palo Verde Irrigation District.

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

Moved (Buster) seconded (Williams) to determine that the Palo Irrigation District's current sphere of influence is adequate at this time.

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- p. LAFCO 2007-22-ALL-Sphere of Influence Review and Potential Amendments-County Service Area 152 (Countywide).

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

Moved (Buster) seconded (Williams) to determine that the sphere of influence is adequate at this time.

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- q. LAFCO 2007-23-3-Sphere of Influence Review and Potential Amendments-CSA 36 (Idyllwild).

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

Moved (Buster) seconded (Williams) to determine that the sphere of influence is adequate at this time.

7/0

- r. LAFCO 2007-24-4-Sphere of Influence Review and Potential Amendments-CSA 122 (Mesa Verde).

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

Moved (Buster) seconded (Williams) to determine that the sphere of influence is adequate at this time.

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- s. LAFCO 2007-25-4-Sphere of Influence Review and Potential Amendments-CSA 62 (Ripley)

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

Moved (Buster) seconded (Williams) to determine that the coterminous sphere of influence is adequate at this time.

7/0

- t. LAFCO 2007-26-4-Sphere of Influence Review and Potential Amendments-CSA 51 (Desert Center/Lake Tamarisk)

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

Moved (Buster) seconded (Williams) to determine that the sphere of influence is adequate at this time.

7/0

The Commission decided to take items 5.a. and b., 7. and 8. at this time.

5. RECEIVE AND FILE:

- a. Information Items: Proposals Received (Government Code Section 56857, 56751):
- i. LAFCO 2007-66-ALL-Flood Control Municipal Service Review.
 - ii. LAFCO 2007-67-1-Annexation 113 to County Service Area 103.
 - iii. LAFCO 2007-68-1-Reorganization to Include Annexation 81 to the City of Lake Elsinore and Annexation to the Northwest Mosquito & Vector Control District and Detachment from the Riverside County Waste Resources Management District.
 - iv. LAFCO 2007-69-2-Reorganization to Include Concurrent Annexations to Western Municipal Water District and the Metropolitan Water District of Southern California (43rd Fringe).

Garry Grant, 27068 Jarvis Street, Perris, CA 92570. Mr. Grant discussed item i. He asked the Commission to review an assessment to zone 3 because he felt that that there was something erroneous with this assessment.

b. LAFCO Monthly Expenditure Review.

Moved (Henderson) seconded (Williams) to receive and file the Information Items and the Monthly Expenditure Review report.
7/0

7. REQUEST FOR EXTENSION OF TIME FOR LAFCO 2006-118-3-REORGANIZATION TO INCLUDE CONCURRENT ANNEXATIONS TO EASTERN MUNICIPAL WATER DISTRICT AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (96TH Fringe)

Moved (Henderson) seconded (Stone) to approve the Request for Extension of Time for LAFCO 2006-118-3-Reorganization to Include Concurrent Annexations to Eastern Municipal Water District and the Metropolitan Water District of Southern California (96th Fringe) as recommended by staff to December 31, 2008.
7/0

8. REQUEST FOR EXTENSION OF TIME FOR LAFCO 2005-52-4-REORGANIZATION TO INCLUDE ANNEXATION 54 TO THE CITY OF COACHELLA.

The Commission decided to take Items 4.u. and v. at this time.

- u. LAFCO 2007-27-3&4-Sphere of Influence Review and Potential Amendments-CSA 153 (Anza/Sage).

Ms. Craig presented the sphere review as outlined in the staff report.

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

Moved (Buster) seconded (Williams) to establish a "zero" sphere of influence for LAFCO 2007-27-3&4-Sphere of Influence Review and Potential Amendments-CSA 153 (Anza/Sage) as recommended by staff.

7/0

- v. LAFCO 2007-28-ALL-Sphere of Influence Review and Potential Amendments-Riverside County Regional Park and Open Space District.

Mr. Spiliotis presented the sphere of influence review as outlined in the staff report.

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

Moved (Buster) seconded (Williams) to establish a countywide sphere of influence for the Riverside County Regional Park and Open Space District for LAFCO 2007-28-ALL-Sphere of Influence Review and Potential Amendments-Riverside County Regional Park and Open Space District as recommended by staff.

7/0

The Commission decided to take item 6. at this time.

6. IMPARTIAL ANALYSIS FOR THE WILDOMAR INCORPORATION.

Mr. Spiliotis stated that this was the impartial analysis required to be adopted by the Commission which will appear with the ballot materials when the Wildomar Incorporation goes before the voters. He said that staff was asking the Commission to review and adopt the analysis at this time and direct the Executive Officer to forward the analysis to the Registrar of Voters.

Moved (Buster) seconded (Stone) to adopt the Impartial Analysis for the Wildomar Incorporation and direct the Executive Officer to forward said analysis to the Registrar of Voters.

7/0

The Commission decided to take items 4.a.and b at this time.

- a. LAFCO 2005-10-1,2,3&5-Sphere of Influence Review and Potential Amendments-Northwest Mosquito & Vector Control District. **(Continued from September 27, 2007).**

- b. LAFCO 2005-11-3,4&5-Sphere of Influence Review and Potential Amendments - Coachella Valley Mosquito and Vector Control District.**(Continued from September 27, 2007).**

Mr. Fowler presented the proposal as outlined in the staff report and further stated that staff was recommending to amend the sphere of influence for the Coachella Valley Mosquito and Vector Control District from its currently existing sphere by: Adding all areas east of the City of Banning to include the entire eastern portions of the County of Riverside as depicted in the staff's report. Also staff was recommending to amend the sphere of influence for the Northwest Mosquito and Vector Control District from its currently existing sphere by: adding all of the areas within the

County of Riverside generally west of the Community of Cabazon as depicted in the staff's report.

Commissioner Buster questioned the justification for the staff recommendation.

Commissioner Henderson stated that she was a member of the Coachella Valley Mosquito and Vector Control District. Commissioner Henderson stated that she understood the County's concern with some of the issues raised in the report and believed that it deserved a complete hearing within those bodies.

Commissioner Lopez said that while he was on the city council, he served for many years on the Mosquito and Vector Control Board and he observed that the district always provided quality services to the residents of the area.

Commissioner Stone stated that the report did not illuminate to him that the services the County offered were inferior to the services the other districts offered as well; therefore, he expressed his opposition to the approval of the sphere of influence amendment for both proposals.

Commissioner Williams stated that combining the mutual aid services was a logical step due to the growth in population in Riverside County.

Chair Lowe opened the public hearing.

Dr. Bruce C. Underwood, 75-895 Alta Mira Drive, Indian Wells, CA 92210. Dr. Underwood stated that he had been on the Coachella Valley Mosquito and Vector Control Board for approximately 14 months. Dr. Underwood expressed his support for the sphere of influence amendment.

Dr. Branka B. Lothrop, 43-420 Trader Place, Indio, CA 92201. Dr. Lothrop stated that she had been with the district for approximately 18 years. She clarified that the district's job was to prevent disease. She expressed her support for the district's sphere of influence amendment.

Commissioner Buster asked whether LAFCO should be expanding the district's sphere of influence when there was not enough evidence to support the service of critical services to the entire county.

Commissioner Hird commented that the Commission was going off the subject on what the Commission should be acting on at this time.

Dr. Lal Mian, 7321 Yellow Jasmine Dr., Highland, CA 92346. Dr. Mian stated that he was here to support both districts because they were well staffed and well equipped and well trained as well.

Mir S. Mulla, 2530 Thayer Court, Riverside, CA 92507. Mr. Mulla spoke in favor of the sphere of influence amendment for both districts.

Casey Dailey, Representing the City of Calimesa, 908 Pack Avenue, Calimesa, CA 92320. Mr. Dailey spoke in support of the sphere of influence amendment for the Northwest Mosquito and Vector Control District.

Don Goms, General Manager, Coachella Valley MVCD, 43-420 Trader Pl., Indio, CA 92241. Mr. Goms said that his Board had voted to not support staff's

recommendation because they were in disagreement with staff's boundary recommendation to not include the City of Calimesa within the Coachella Valley MVCD sphere of influence. Mr. Gomsi said that he was available to answer to any questions.

Dr. Major Dhillon, District Manager, Northwest Mosquito Vector Control District, Compton Avenue, Corona, CA. Mr. Dhillon expressed his support for staff's recommendation.

Commissioner Buster said that the staff report and the Grand Jury report spoke negatively of the County in regards to public health prevention and this was the reason for his opposition to the sphere amendment.

Chair Lowe closed the public hearing.

Commissioner Stone commented that all three entities did a fabulous job. He said that the reason he was not supporting staff's recommendation was not a reflection on the professional services offered by the special districts.

Commissioner Buster asked Dr. Frickman if he had any comments.

Dr. Erick Frickman, Riverside County Environmental Health Director, stated that most of what could be said had already been said by one party or another and therefore, he had nothing else to add.

Commissioner Henderson stated that the Commission was only looking at a sphere of influence amendment for both districts. She said that in regards to everyone's concern any discussions that needed to take place will happen at the appropriate time.

Mr. Spiliotis said that staff's recommendation was to establish the line between the spheres of Coachella Valley and Northwest Mosquito and Vector Control Districts just west of Cabazon.

Chair Lowe commented that the City of Hemet contracted with the County of Riverside and had no plans to tax the residents with more money. She said that they intended to stay with the County of Riverside. Chair Lowe stated that staff based their report on the information it was provided.

Commissioner Stone commented that the staff report perhaps should have included performance standards for all three districts to be able to make a more informed decision.

Moved (Henderson) seconded (Hird) to amend LAFCO 2005-10-1,2,3&5-Sphere of influence Review and Potential Amendments for the Northwest Mosquito and Vector Control District from its currently existing sphere by: Adding all areas within the County of Riverside generally west of the community of Cabazon as shown in the staff report.
5/2 (Buster and Stone voted No)

Moved (Henderson) seconded (Hird) to amend LAFCO 2005-11-3,4&5-Sphere of Influence Review and Potential Amendments for the Coachella Valley Mosquito and Vector Control District from its currently existing sphere by adding all areas east of the City of Banning to include the

entire eastern portions of the County of Riverside as shown in the staff report.

5/2 (Buster and Stone voted No)

The Commission decided to take Item 4.w. at this time.

- w. LAFCO 2007-40-3&5-Sphere of Influence Amendment (removal) to the City of Perris and Reorganization to Include Incorporation of Menifee Valley, Concurrent Detachment from the Riverside County Waste Resources Management District, Dissolution of County Service Areas 33, 86, 138 & 145 and Detachments from County Service Areas 43, 80, 84, and 146.

Mr. Fowler presented the proposal and further stated that the report provided an overview of the proposed incorporation of Menifee Valley. He said that in order for the Commission to approve the incorporation, State Law required that the new city have sufficient revenues to provide public services and facilities and a reasonable reserve during the first three fiscal years following the incorporation. He said that the Comprehensive Fiscal Analysis (CFA) showed that the boundary study area 3 had the strongest fiscal viability of the options studied. He said that the CFA projected for study area 3, budget surpluses for the first 4 years, then deficit in the next two years, followed by surpluses for the next three years and a deficit in the last year of the study. He said that even with the deficits, the CFA showed the proposed city would be able to maintain a minimum 10 percent reserve through the projection period. He said that the CFA concluded that the incorporation of Menifee Valley was fiscally viable. He said that staff was recommending a conditional approval as outlined in the staff report.

Diane E. Barratt, Senior Planner, BonTerra Consulting, 151 Kalmus Drive, Suite E-200, Costa Mesa, California 92626. Ms. Barratt spoke in relation to the CEQA Analysis documentation and the incorporation of the communities of Sun City, Menifee and Quail Valley into the new City of Menifee Valley. She said that the study showed that there will be no impacts as a result of the incorporation and according to CEQA they had prepared a Negative Declaration. She said that regarding public comments, they had received a letter from the Riverside County Flood Control and Water Conservation District asking that the newly formed city adopt all applicable district master plans and drainage plans for any future developments. She said that she was available to answer any questions.

Commissioner Stone commented that the proponents of the incorporation had followed the letter of the law as mandated by state law in regards to the Comprehensive Fiscal Analysis.

Commissioner Buster asked if a provision for providing funding for arterial roads was included in the incorporation proposal. Mr. Spiliotis responded that continued participation in regional programs was included in the terms and conditions.

Commissioner Stone asked if the new city will adopt the County ordinances currently in effect once it becomes a City specifically in regards to mobile home parks rental space fees. He asked if the city will adopt those ordinances or the new city could abolish those ordinances in the future.

Mr. Rank responded that the newly formed City will automatically assume the County ordinances and then one by one will determine whether they want to retain them or change them.

Commissioner Stone expressed the importance of protecting the rights of the senior citizens that lived in the area.

Gary Thompson, GST Consulting, 90 Tierra Plano, Rancho Santa Margarita, CA 92688. Mr. Thompson said that the Comprehensive Fiscal Analysis was prepared under the guidelines of the Government Code and LAFCO's incorporation guidelines. He said that all data that was used was the most current data provided to them by the Riverside County. Mr. Thompson presented his findings as outlined in the report dated October 2, 2007. He further stated that he was available for questions concerning the analysis.

Commissioner Buster clarified that Mr. Thompson had taken a recent look at the financial projections and did account for the current downturn. Mr. Thompson stated that the development projections included in the report were from the information provided from the County and the Assessor's Office between the commercial retail, industrial development and residential development. He said that he spread out the data over ten years and reduced it by 30% and thereafter, took a further reduction to account for the downturn occurring at the present time. Mr. Thompson stated that what the Commission had before them was the results of a reduction in development projections below what the County had in the system.

Commissioner Stone asked if the Audie Murphy project was going to be excluded from the incorporation. Mr. Fowler said that because of the realignment improvements in Goetz Road and Newport Road, the City of Canyon Lake intends on detaching that area from their City. That would occur after incorporation of the new City. It was confirmed that the Audie Murphy Specific Plan itself would remain in the incorporation boundaries.

Chair Lowe opened the public hearing.

The following speakers spoke in favor of the incorporation of Menifee Valley.

Ron Sullivan, 28068 Orangegrove Avenue, Menifee Valley, CA 92584.

Kassen Klein, Pac Two Partners, 41538 Eastman Dr., Suite C-239, Murrieta, CA 92562.

Commissioner Stone stepped down from participating further in this incorporation proposal due to a campaign contribution from Kassen Klein.

George Rackstraw, 25270 Tradewinds Dr., Romoland, CA 92585.

Marc Miller, 33320 Merritt Road, Menifee Valley, CA 92584.

Joe E. Daugherty, 28097 Bradley Road, Sun City, CA 92586.

The following spoke in opposition of the incorporation of Menifee Valley.

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

Patricia Glaha, 32125 Snyder Lane, Homeland, CA 92548.

Anthony R. Taylor, Attorney representing City of Perris, 18881 Von Karman Avenue, Irvine, CA 92612. Mr. Taylor spoke in relation to the letter presented to the Commission dated October 24, 2007.

Richard Belmudez, City Manager, City of Perris, 101 N. D. Street, Perris, CA 92570. Mr. Belmudez spoke in opposition of including planning areas two and three into the incorporation.

Robert Gibbons, 25098 Avenida Valencia, Homeland, CA 92558.

The following persons were neutral in the incorporation of Menifee Valley.

Lori Moss, City Manager, City of Canyon Lake. Ms. Moss spoke in regards of Resolution 06-29 from the City of Lake Canyon Lake presented to the Commission. She referred to page two of said resolution item 3. regarding Boundary Changes stating that the Developer will be responsible for processing the boundary changes with LAFCO relating to the Audie Murphy project.

John Zaitz, Councilmember of the City of Canyon Lake, 30279 Clear Water Dr., Canyon Lake, CA 92587. Mr. Zaitz spoke in regards to the City of Canyon Lake's sphere of influence.

Chair Lowe closed the public hearing.

Mr. Spiliotis responded to the letter from the attorney of the City of Perris. Mr. Spiliotis stated that in regards to the issue of the sphere of influence there was a statement in the letter regarding the ongoing sphere of influence study. Mr. Spiliotis said that approximately two or three years ago, he had spoken to the City of Perris Council at a workshop about the sphere review study for all cities to put them on notice that this was the time for them to decide where they wanted to be in the future. He said that if they wanted to expand their sphere of influence, they needed to do any general planning work necessary and provide LAFCO with input into their sphere. He further said that in 2006, when LAFCO had the sphere of influence review for the City of Perris, Mr. Spiliotis indicated to the City Manager that their sphere review was going to be continued to the first of the year, 2007 to allow them additional time, since LAFCO had not heard from them yet to provide input into the sphere of influence. He said that the sphere of influence review was then scheduled for March, 2007, and the City was notified and received a copy of the staff report as well as an e-mail from Mr. Spiliotis to the fact that LAFCO was going to be hearing this sphere review, with the intent that there would be no changes at this time. Mr. Spiliotis invited the City to come before the Commission and indicate what future amendments the city would be asking for. However, the commission did not receive any input from the city. Mr. Spiliotis said that there was no one from the city in attendance at the March, 2007 hearing. Therefore, at that hearing the Commission reaffirmed the existing sphere of influence boundaries. Mr. Spiliotis said that there was no ongoing sphere study at this time as stated in the letter dated October 24, 2007.

Mr. Spiliotis said that regarding the fiscal consultant retained by the proponents, the City's letter stated that the analysis was not a conservative analysis. Mr. Spiliotis said that it was indeed a conservative analysis. Mr. Spiliotis stated that LAFCO had worked well with Mr. Thompson and when LAFCO had asked him to make any changes Mr. Thompson was flexible to make the requested changes. Mr. Spiliotis said that the fiscal analysis was based on the existing level of services. Mr. Spiliotis said that in regards to excluding any expenditures for parks, he said that it was not the case. He said that the parks in the unincorporated area of Menifee Valley were split by two different jurisdictions. He said that on the east side, Valley Wide Recreation and Parks District provided that area with those services, and in the remainder of the area, the County of Riverside provided the park services for that area via a County Service Area which was not funded through the general fund but through assessments. Mr. Spiliotis said that the assessments and the responsibility of the parks will be transferred to the new city if it incorporated. He said that consequently, there was no net cost.

Mr. Spiliotis stated that there was nothing in the fiscal analysis that talked about anything different than what was going on right now. He said that the fiscal analysis was a very conservative Comprehensive Fiscal Analysis.

Commissioner Buster asked if there were any community areas that should logically be included in the general plan or they were going to be divided. He said that he was talking specifically about Harvest Valley. Mr. Spiliotis said that the Commission never considered Harvest Valley a community. He said that there was no record of that at LAFCO.

Commissioner Williams asked if the incorporation proposal is approved the City was going to assume the responsibility of animal control?

Also, Commissioner Williams expressed concerns regarding Elsinore Valley Municipal Water District and Eastern Municipal Water District regarding issues over service for the Quail Valley area. He said that the Quail Valley community had a bad sewage disposal system problem and hoped that the proponents for Menifee Valley incorporation were aware of this big burden to undertake at this time that amounted to about \$70 million dollars. He said that he hoped that if they become a city, that they will be willing to work with both water districts.

Commissioner Hird stated that staff had put together an extremely thorough document. Commissioner Hird expressed support for the Menifee Valley becoming a city.

Commissioner Henderson said that staff's report was very thorough and positive; therefore, she proceeded to make a motion to approve staff's recommendation with the revised terms and conditions as received earlier.

Moved (Henderson) seconded (Buster) to approve LAFCO 2007-40-3&5-Sphere of Influence Amendment and Reorganization to Include Incorporation of Menifee Valley, Concurrent Detachment from the Riverside County Waste Resources Management District, Dissolution of County Service Area 43, 80, 84, and 146 as recommended with revised terms and conditions as modified by staff.

6/0 (Stone did not participate)

10. MISCELLANEOUS STAFF REPORTS.

There were no miscellaneous staff reports.

11. PUBLIC COMMENTS.

Garry Grant, 27065 Jarvis Street, Perris, CA 92570. Mr. Grant spoke in relation to the LAFCO annexation process and the rights of the citizens in the proposed annexation areas.

12. ADJOURNMENT.

The Commission adjourned at 2:29 p.m.

Respectfully,

George J. Spiliotis
Executive Officer