

MINUTES
July 12, 2007

Present: Robin Lowe, Chair
Ron Starrs
Bob Buster
Terry Henderson
John Tavaglione
Phil Williams
Stephen Tomanelli

Absent: Robert Hird

Present Staff: George J. Spiliotis, Executive Officer
Wayne Fowler, Senior Local Government Analyst
Crystal Craig, Local Government Analyst II
Elizabeth Solander, Secretary
Joe Rank, Legal Counsel

1.1 CALL TO ORDER AND SALUTE TO THE FLAG.

The meeting was called to order by Chair Lowe at 9:35 a.m.

1.2 ROLL CALL.

2. APPROVAL OF MINUTES OF May 24, 2007

Minutes were approved as presented.

3. Consent (Non-Hearing Items):

a. LAFCO 2005-99-3- Annexation 82 to County Service Area 143.

Moved (Buster) seconded (Williams) to approve LAFCO 2005-99-3-
Annexation 82 to County Service Area 143 as recommended by staff.
7/0

b. LAFCO 2005-100-3- Annexation 83 to County Service Area 143.

Moved (Buster) seconded (Williams) to approve LAFCO 2005-100-3-
Annexation 83 to County Service Area 143 as recommended by staff.
7/0

c. LAFCO 2007-08-3- Annexation 20 to County Service Area 145.

Moved (Buster) seconded (Williams) to approve LAFCO 2007-08-3-
Annexation 20 to County Service Area 145 as recommended by staff.
7/0

- d. LAFCO 2007-36-3-Reorganization to Include Annexation 84 to County Service Area 84 and Detachment from County Service Area 146.

Moved (Buster) seconded (Williams) to approve LAFCO 2007-36-3-Reorganization to Include Annexation 84 to County Service Area 84 and Detachment from County Service Area 146 as recommended by staff.
7/0

- e. LAFCO 2007-37-3-Reorganization to Include Annexation 83 to County Service Area 84 and Detachment from County Service Area 146.

Moved (Buster) seconded (Williams) to approve LAFCO 2007-37-3-Reorganization to Include Annexation 83 to County Service Area 84 and Detachment from County Service Area 146 as recommended by staff.
7/0

- f. LAFCO 2007-38-3-Annexation 22 to County Service Area 145.

Moved (Buster) seconded (Williams) to approve LAFCO 2007-38-3-Annexation 22 to County Service Area 145 as recommended by staff.
7/0

4. **PUBLIC HEARINGS:**

Continued:

The Commission decided to take items 4.a., b., c., e. and g. at this time.

- a. LAFCO 2005-10-1,2,&5-Sphere of Influence Review and Potential Amendments- Northwest Mosquito & Vector Control District (**Continued from April 26, 2007**).
- b. LAFCO 2005-11-3,4&5-Sphere of Influence Review and Potential Amendments - Coachella Valley Mosquito & Vector Control District (**Continued from April 26, 2007**).
- c. LAFCO 2005-64-4-Reorganization to Include the Formation of Desert River Community Services District and Dissolution of County Service Areas 62 and 122 (**Continued from May 24, 2007**).
- e. LAFCO 2005-107-1&3-Reorganization to Include Incorporation of Wildomar, Concurrent Detachment from the Riverside County Waste Resources Management District, and Detachments from County Service Areas 22, 103 and 142 and Potential Sphere of Influence Amendments to the City of Lake Elsinore (**Continued from May 24, 2007**).
- g. LAFCO 2006-66-4-Sphere of Influence Review and Potential Amendments - County Service Area 105 (Happy Valley / Indio Hills) (**Continued from January 25, 2007**).

Chair Lowe opened the public hearing on items 4.a, 4.b., 4.c. 4.e. and 4.g.

Moved (Buster) seconded (Tavaglione) to continue LAFCO 2005-10-1,2,&5-Sphere of Influence Review and Potential Amendments - Northwest

Mosquito & Vector Control District to August 23, 2007 as recommended by staff.
7/0

Moved (Buster) seconded (Tavaglione) to continue LAFCO 2005-11-3,4&5-Sphere of Influence Review and Potential Amendments - Coachella Valley Mosquito & Vector Control District to August 23, 2007 as recommended by staff.
7/0

Moved (Buster) seconded (Tavaglione) to continue LAFCO 2005-64-4-Reorganization to Include the Formation of Desert River Community Services District and Dissolution of County Service Areas 62 and 122 to August 23, 2007 as recommended by staff.
7/0

Moved (Buster) seconded (Tavaglione) to continue LAFCO 2005-107-1&3-Reorganization to Include Incorporation of Wildomar, Concurrent Detachment from the Riverside County Waste Resources Management District, and Detachments from County Service Areas 22, 103 and 142 and Potential Sphere of Influence Amendments to the City of Lake Elsinore to August 23, 2007 as recommended by staff.
7/0

Moved (Buster) seconded (Tavaglione) to continue LAFCO 2006-66-4-Sphere of Influence Review and Potential Amendments - County Service Area 105 (Happy Valley / Indio Hills) to August 23, 2007 as recommended by staff.
7/0

The Commission decided to take item 4.f. at this time.

- f. LAFCO 2006-20-1&3-Sphere of Influence Review and Potential Amendments - City of Temecula.

Mr. Fowler presented the proposal. He said that the City asked to have their sphere of influence remain the same.

Chair Lowe opened the public hearing and there being no one wishing to speak the public hearing was closed.

Moved (Henderson) seconded (Tomanelli) to determine that the current sphere of influence is adequate at this time for the City of Temecula.
7/0

NEW:

The Commission decided to take item 4.i. at this time.

- i. LAFCO 2005-18-1&5- Sphere of Influence Review and Potential Amendments - City of Lake Elsinore, the City of Corona, the Menifee Valley Unincorporated Community and the Wildomar Unincorporated Community.

Moved (Henderson) seconded (Williams) to continue LAFCO 2005-18-1&5-Sphere of Influence Review and Potential Amendments - City of Lake

Elsinore, the City of Corona, the Menifee Valley Unincorporated Community and the Wildomar Unincorporated Community to August 23, 2007 as recommended by staff.

7/0

The Commission decided to take items 4.j., k., l. and o. at this time.

- j. LAFCO 2006-127-4-Sphere of Influence Review and Potential Amendments - County Service Area 104 (Sky Valley).
- k. LAFCO 2006-130-3- Sphere of Influence Review and Potential Amendments - County Service Area 60 (Pinyon Flats).
- l. LAFCO 2006-139-1&5- Sphere of Influence Review and Potential Amendments - County Service Area 89 (Perris)
- o. LAFCO 2007-16-5- Sphere of Influence Review and Potential Amendments - County Service Area 70 (Wagon Wheel/Perris).

Chair Lowe opened the public hearing for items 4.j., 4.k., 4.l. and 4.o. and there being no one wishing to speak the public hearing was closed.

Moved (Buster) seconded (Henderson) to determine that the current coterminous sphere of influence for County Service Area 104 is adequate at this time.

7/0

Moved (Buster) seconded (Henderson) to determine that the current coterminous sphere of influence for County Service Area 60 is adequate at this time.

7/0

Moved (Buster) seconded (Henderson) to amend the current County-wide sphere of influence for County Service Area 89 by establishing a "zero" sphere of influence and adopt the determinations as recommended by staff.

7/0

Moved (Buster) seconded (Henderson) to amend the current County-wide sphere of influence for County Service Area 70 by establishing a "zero" sphere of influence and adopt the determinations as recommended by staff.

7/0

The Commission decided to take item 4.n. at this time.

- n. LAFCO 2007-13-4- Minor Sphere of Influence Amendment (addition) to the City of Blythe and Reorganization to Include Annexation 51 to the City of Blythe and Detachment from the Riverside County Waste Resource Management District.

Mr. Fowler presented this item.

Chair Lowe opened the public hearing and there being no one wishing to speak the public hearing was closed.

Moved (Henderson) seconded (Starrs) to approved LAFCO 2007-13-4- Minor Sphere of Influence Amendment (addition) to the City of Blythe and Reorganization to Include Annexation 51 to the City of Blythe and Detachment from the Riverside County Waste Resource Management District as recommended by staff.

7/0

The Commission decided to take item 4.p. and 4.q. at this time.

- p. LAFCO 2007-33-5- Sphere of Influence Amendment (addition) to the City of Moreno Valley and the Moreno Valley Community Services District (subsidiary) and Reorganization to Include Concurrent Annexations to the City of Moreno Valley (Gateway Business Park)), and the Moreno Valley Community Services District (subsidiary) and Detachment from the Riverside County Waste Resources Management District.

Mr. Spiliotis presented this item.

Chair Lowe opened the public hearing.

Wes Alston, 12246 Heacock, Moreno Valley, CA 92557, Andland, LLC. Mr. Alston waived his request to speak.

Chair Lowe closed the public hearing.

Moved (Henderson) seconded (Williams) to approve LAFCO 2007-33-5- Sphere of Influence Amendment (addition) to the City of Moreno Valley and the Moreno Valley Community Services District (subsidiary) and Reorganization to Include Concurrent Annexations to the City of Moreno Valley (Gateway Business Park)), and the Moreno Valley Community Services District (subsidiary) and Detachment from the Riverside County Waste Resources Management District as recommended by staff.

7/0

- q. LAFCO 2007-34-5- Sphere of Influence Amendment (addition) to the City of Moreno Valley and the Moreno Valley Community Service District (subsidiary) and Reorganization to Include Annexation (MV Ranchos) to the City of Moreno Valley, the Moreno Valley Community Services District (subsidiary) and Detachment from the Riverside County Waste Resources Management District.

Mr. Spiliotis presented this item.

Chair Lowe opened the public hearing.

Don Lohr, 3 Better World Circle, Temecula, CA 92590. He stated he was there to answer any questions the Commission may have.

Chair Lowe closed the public hearing.

Moved (Starrs) seconded (Henderson) to approve LAFCO 2007-34-5- Sphere of Influence Amendment (addition) to the City of Moreno Valley and the Moreno Valley Community Service District (subsidiary) and Reorganization to Include Annexation (MV Ranchos) to the City of

Moreno Valley, the Moreno Valley Community Services District (subsidiary) and Detachment from the Riverside County Waste Resources Management District as recommended by staff.

7/0

The Commission decided to take items 6. and 7. at this time.

6. LAFCO 2007-10-5-BANNING BENCH UNINCORPORATED COMMUNITY REVIEW OF FIVE-YEAR REPORT.

Mr. Spiliotis presented this item. He said that there was no correspondence from the City of Banning, but that LAFCO received a letter from Supervisor Ashley's office in support of continuing the UC designation.

Moved (Starrs) seconded (Henderson) to receive and file the Banning Bench Unincorporated Community Five-Year Report as recommended by staff.

7/0

7. REQUEST FOR WAIVER FOR FISCAL IMPACT REPORT FOR ANNEXATION NO. 106 TO THE CITY OF RIVERSIDE (EAST BLAINE).

Moved (Henderson) seconded (Buster) to approve the request to waive the Fiscal Impact Report requirement for Annexation No. 106 to the City of Riverside.

7/0

The Commission decided to take items 4.r and s. at this time.

r. LAFCO 2007-46-5-Request for Reconsideration of Resolution No. 42-07 and 43-07 Approving LAFCO 2006-152-5 SOI Amendment (addition) to the City of Desert Hot Springs & Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District

s. LAFCO 2007-48-5-Request for Reconsideration of Resolution No. 42-07 and 43-07 Approving LAFCO 2006-152-5 SOI Amendment (addition) to the City of Desert Hot Springs & Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District

Chair Lowe asked Mr. Rank to make opening comments in regards to these items.

Mr. Rank stated that the matter was up to reconsideration, and if the Commission chose to reconsider, the Commission will then determine what changes to make on the previous resolution approving the annexation.

Clarification was made by Mr. Rank that a motion for reconsideration can come from any Commissioner and every Commissioner can deliberate and participate even if they were not at the hearing when the annexation was approved.

He also stated that the testimony given needs to be new information to consider and that it justifies the changes requested.

The following persons spoke in favor of the reconsideration.

Larry Parrish, Riverside County Executive Officer. Mr. Parrish stated that the financial status of Desert Hot Springs will be affected if Annexation 30 is approved. He said that freeway and regional road improvements will be delayed, and that it will not create new revenue for the City.

Richard Kite, 71205 Thunderbird Terrace, Ranch Mirage, CA 92270, Chairman, Coachella Valley Conservation Commission. Mr. Kite expressed his concerns regarding the impact of approving the annexation will have on the multi-species plan. He said that it cannot be implemented if the annexation is approved. He also presented an analysis that he stated was not available to the Commission at the previous hearing. He stated that there was no possibility of extending the permit for the fringe-toed lizard.

John Wohlmuth, 73710 Fred Waring Drive, Palm Desert, CA 92260, Executive Director, Coachella Valley Conservation Commission. Mr. Wohlmuth presented a map showing the development areas for Desert Hot Springs.

Eric Haley, 4080 Lemon Street, Riverside, CA 92501, Director, Riverside County Transportation Commission. Mr. Haley said that the setback for the multi-species habitat plan will have a negative impact on the advancement of Interstate interchanges in the Coachella Valley. He also spoke about the increase in costs and unknown delays for the current and future projects due to the loss of the permit for the fringe-toed lizard.

George Johnson, Riverside County Transportation Commission. Mr. Johnson spoke about years of delays in road and Interstate improvement projects and cost increases. He also mentioned the impact on the public due to increased congestion and lack of safety improvements.

Barry Gross, 2151 Michelson #190, Irvine, CA 92612, President of Research Development. Mr. Gross, spoke about the economic impacts the project will have on the entire area. He also distributed to the Commission the copy of a fiscal impact analysis. He spoke about the commercial development and traffic increases.

David Taussig, 1301 Dove Street, Newport Beach, 92657, President of David Taussig and Associates. Mr. Taussig spoke about the fiscal impact analysis distributed to the Commission. He discussed house prices and property taxes and permanent revenue sources for the City.

Dale Hutchinson, 210 W. San Jacinto, Perris, CA 92570, Riverside County Fire Department. Mr. Hutchinson spoke about fire response time, increased needs for an additional station and staff. He said that these funds have not been accounted for with the approval of this project and that the City will not be able to pay for adequate fire protection costs.

Neil Lingle, 4095 Lemon Street, Riverside, CA 92502, Supervisor Wilson, CVAG Public Safety Committee. Mr. Lingle spoke about public safety issues such as the ratio of police officers to residents and due to budget cuts the lack of officers in the City and the costs involved for increasing the police force.

Marion Ashley, County Supervisor, 5th District. Supervisor Ashley spoke about the annexation of Palmwood and the inclusion of Desert Hot Springs in the multi-species plan. He stated that there was no agreement and that he did not believe that there will be one. He said that Palmwood should come back with a project design that was consistent with the habitat plan.

Mr. Parrish concluded their presentation.

Commissioner Henderson asked Mr. Wohlmuth about the timing of the interchanges since they now had the money and the permit. He replied that part of one of the segments of the interchange was out to bid. She asked the start dates and about an increase in cost by the time they are started. Mr. Wohlmuth replied that three of the interchanges are going out to bid soon and that the start date is 2009.

Commissioner Henderson asked Mr. Johnson about the start dates for the other projects that will be affected by the lack of the fringe-toed lizard permit. Mr. Johnson clarified dates for bids and start dates of construction for the projects and that they cannot ask for bids without a permit. He also said there was one project that a construction contract had been awarded to.

David Ready, City Manager, City of Palm Springs. Mr. Ready spoke about transportation issues the fringe-toed lizard permit and how it affects the interchange projects.

Dave Barakian, Palm Springs, CA, City Engineer and Director of Public Works for the City of Palm Springs. Mr. Barakian spoke about the County projects and the delay of those projects.

Steve Robbins, P.O. Box 1058, Coachella, CA 92236, General Manager, Coachella Valley Water District. Mr. Robbins spoke about what will happen if the multi-species plan was delayed or went away and how CVWD's deferred mitigation was built into the plan. He also spoke about the cost to CVWD because of the loss of the fringe-toed lizard plan.

Fred Bell, 77570 Springfield Lane, Suite E, Palm Desert, CA 92211, Chief Executive Officer, Building Industry Association, Desert Chapter. Mr. Bell spoke about costs if the MSHCP does not move forward. He stated that the impact on the construction industry in the Coachella Valley will be in the hundreds of millions and spoke about the impact on those employed working on these projects.

Bob Marra, 73710 Fred Waring, Palm Desert, CA 92260, Chairman of the Board, Coachella Valley Economic Partnership. Mr. Marra spoke in favor of the MSHCP. He expressed his concern of the economic impacts if the annexation was approved.

Gary Johnson, 38000 Monroe, Indio, CA 92211, Granite Construction. Mr. Johnson spoke about the benefits of having a MSHCP and the impacts of not having one.

Jonathan Evans, PMB 447 Sunset Blvd., Los Angeles, CA 90046-2401, Center for Biological Diversity. Mr. Evans stated that the annexation should be denied since the project has failed to comply with CEQA and the financial impacts

on municipalities. He also stated environmental impacts due the loss of the fringe-toed lizard permit.

The Commission recessed at 11:15 a.m.

The Commission reconvened at 11:23 a.m.

The following persons spoke in favor of the reconsideration.

Carmen Manriquez, 1513 Sixth Street, Coachella, CA, Director, Coachella Planning Commission. Mr. Manriquez spoke about the infrastructure that is at risk and is relying on the MSHCP.

Steven Bayrd, 5955 Soza Road, Whitewater, CA 92282. Mr Bayrd, a resident living in the area adjacent to the annexation, thanked the Board of Supervisors' for bringing new information to the Commission.

The following persons spoke in opposition of the reconsideration.

Rob Bernheimer, 45025 Manitou Drive, Indian Wells, CA 92210. Mr. Bernheimer disputed the facts that were brought to the Commission. He said that there was no new information presented. He stated the fiscal analysis that was done by Taussig and Associates was inaccurate.

Helene Dryer, 45025 Manitou Drive, Indian Wells, CA 92210, Attorney for Palmwood. Ms. Dryer quoted from letters dated January 2006 and May 4, 2007 written by the Department of Fish and Game and spoke about the extension of the MOU and that this information was known prior to the April hearing.

John Withers, Consultant for the City of Desert Hot Springs. Mr. Withers gave his thoughts on reconsideration and how it related to the LAFCO process. He quoted Government Code Section 56895. He said that no new information was brought at today's hearing that was not already brought or could have been brought before the Commission at the April hearing.

Mary Gilstrip, 45025 Manitou Drive, Indian Wells, CA 92210. Ms. Gilstrip said that the MOU for the Fringe-toed lizard permit was going to expire in August, without an extension, that this was not new information and it was known in 2006 that this was going to happen and that because of this reconsideration was not justified.

Brian Harnik, 45025 Manitou Drive, Indian Wells, CA 92210. Mr Harnik stated that there was no written notice of any of the discussion by fire and sheriff presented to them as required. He quoted from the LAFCO staff report written for the April hearing that road and interchange improvements could be delayed without State and Federal permits. He also quoted from a letter from the Sierra Club and the transcribed minutes from the April hearing regarding permits. He then presented a video to the Commission.

Yvonne Parks, Councilmember, City of Desert Hot Springs. Ms. Parks spoke about the expiration of the fringe-toed lizard permit and the effects it will have on the Coachella Valley and the MSHCP.

Roger Rostvold, 45025 Manitou, Indian Wells, CA 92210. Mr. Rostvold stated that the Commission had four months to review, analyze and comment on the fiscal impact analysis.

Scott Matas, Councilmember, City of Desert Hot Springs. Mr. Matas asked the Commission to consider the future of Desert Hot Springs.

Mary Stephens, Mayor Pro Tem, City of Desert Hot Springs. Ms. Stephens spoke about the City's budget. She stated that Palmwood will bring the City to economic stability.

Michael Crosby, 45025 Manitou, Indian Wells, CA 92210, developer/owner of Palmwood. Mr. Crosby said that no new information was brought today to the Commission and that very little was said about Palmwood. He spoke about the cost to his project and asked the Commission to deny the reconsideration.

Kim Glassman, 73710 Fred Waring Drive, #112, Palm Desert, CA 92260. Ms. Glassman read a letter written by Senator Jim Battin in opposition of the reconsideration.

Alvaro Sandoval, 67700 Cats Claw Rd., Desert Hot Springs, CA 92241. Mr. Sandoval spoke about the MSHCP and how it affected the City and the residents there.

Mary Justice, 3998 Avenida Verano, Thousand Oaks, CA 91360. Ms. Justice spoke about air quality issues.

Mark Shultz, 13325 Mtn. View Rd., Desert Hot Springs, CA 92240. Mr. Shultz spoke about the MSHCP.

Kelly Hamilton, 13105 Santa Ysabel, Desert Hot Springs, CA 92240. Mr. Hamilton, a resident, spoke about his association with Palmwood.

Lori Mullen, 83817 Avenida Setena, Indio, CA 92203. Ms. Mullen, a resident of Coachella Valley, spoke about the MSHCP and the value of her property.

Bruce Colbert, P.O. Box 127, Riverside, CA 92502, Director of the Property Owners Association of Riverside County. Mr. Colbert stated that there was no new information received and that the annexation benefits the City and would help the City prosper.

Wes Brown, 30495 Avenida Del Padre, Cathedral City, CA, 92239. Mr. Brown spoke about the right to own private property.

Daniel Merrit, 25840 Palm Hollow, Sun City, CA. Mr. Merrit said that there was nothing wrong with the annexation. He also stated his opposition to outside interests with this project.

The Commission adjourned for lunch at 12:45 p.m.

The Commission reconvened at 1:25 p.m.

Rebuttal:

Supervisor Marion Ashley, Board of Supervisors, 5th District. Supervisor Ashley presented a summary of new information. He stated the habitat plan analysis wasn't complete before April 26, 2007. He said the letter from Department of Fish & Game provided new information regarding the fringe-toed lizard permit. He said new financial data was available concerning Palmwood's impact on the City of Desert Hot Springs and the MSHCP cannot go through with the annexation in place.

John Wohlmuth, Executive Director, Coachella Valley Conservation Commission. Mr. Wohlmuth spoke about the study on the fringe-toed lizard and the MOU. He said the letter from the CDFG stated that the August expiration of the permit was new information. He also said that prior annexations have been consistent with the proposed multiple-species plan. He said a conservation plan has been developed for five interchanges.

George Johnson, Director of Riverside County Transportation. Mr. Johnson spoke about the Federal habitat conservation plan in place for the interchanges but that it doesn't include a state permit for the fringe-toed lizard. He said the interchange projects will continue. He said that losing the fringe-toed lizard permit will require them to get a separate permit from CDFG.

David Taussig spoke about the financial issues, such as tax monies, of the project and that these numbers were not previously submitted in the fiscal impact analysis. He also read from the April 26th minutes.

Chair Lowe closed the public hearing.

Mr. Rank stated that at the conclusion of its consideration that the Commission may approve or disapprove with or without an amendment wholly or partially or conditionally the request.

Commissioner Tavaglione asked the Commission to review and reconsider the fiscal analysis.

Commissioner Buster expressed his concern with the fiscal viability. He said that the annexation process should not be a case by case issue when a conservation plan is in question.

Commissioner Starrs said that he did not hear anything new today.

Commissioner Henderson said that she did not hear anything new today that wasn't previously brought up to the Commission at the previous hearing.

Commissioner Tomanelli said that he wasn't at the previous hearing but had met with both sides, had listened to the recording of it and read the minutes and was prepared to vote on the matter.

Commissioner Williams expressed concerns with the police issue and the freeway projects.

Commissioner Tavaglione spoke about the MSHCP and his involvement with the interchanges in his district and the length of time it took because he

didn't have a Habitat Conservation Plan in place and that a plan should be in effect in the Coachella Valley.

Commissioner Starrs said that the City should not have to double the size of the police department in order to support the development.

Chair Lowe spoke about the length of time to improve interchanges and the endangered species act.

Motion (Tavaglione) seconded (Buster) to approve LAFCO 2007-46-5 and LAFCO 2007-48-5-Request for Reconsideration of Resolution No. 42-07 and 43-07 Approving LAFCO 2006-152-5 SOI Amendment (addition) to the City of Desert Hot Springs & Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District.

5/2 (Henderson, Starrs voted no)

Commissioner Henderson said she understands transportation issues and the impacts of environmental agencies. She said she believes the multi-species habitat plan can be amended. She expressed her concern over the freeway interchanges.

Commissioner Buster said that the proponents should work with the appropriate parties to have the annexation consistent with the multi-species plan and to bring the annexation back at a later date.

Commissioner Tavaglione addressed the fiscal analysis, MSHCP and CFDs. He questioned market assumptions of the project. He said to deny the project.

Commissioner Williams spoke about the development in Lake Elsinore, the fiscal analysis and the services that will be provided for the annexation and his concerns for the traffic conditions.

Commissioner Henderson stated that the commercial site was for the entire area's future population base not just the 2000 homes in Palmwood.

Commissioner Tavaglione said the revenue from the project will not happen in the next five years.

Chair Lowe said there were flaws in the fiscal analysis. She said that the annexation proponents and the City Council should work together.

Moved (Buster) seconded (Tavaglione) to deny LAFCO 2006-152-5 Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District and request the parties to negotiate on the annexation and the project and to return to LAFCO with a project that is compatible with the proposed multi species habitat plan and that is fiscally viable and can meet the service needs of the community and find that the one year waiting period to bring the proposal back would be detrimental to the public interest and is waived.

5/2 (Henderson, Starrs, voted no)

The Commission decided to take item 4.d. at this time

- d. LAFCO 2005-103-1-Consolidation of Elsinore Valley and Wildomar Cemetery Districts. **(Continued from April 26, 2007).**

Mr. Spiliotis presented the proposal. He gave examples of previous successful consolidations in the County. He said that there was currently confusion over boundaries between the two districts. He also said there would be seven board members after consolidation.

Andy Belknap, Consultant, Management Partners. Mr. Belknap spoke about the determination that the public service cost after consolidation will be reduced and other benefits of consolidation.

Commissioner Buster said that he was hoping that Management Partners would be available for a Community meeting to discuss with the public the concerns of the consolidation process.

Mr. Belknap agreed and said that it was anticipated in the contract.

Chair Lowe opened the public hearing.

Sharon Hunter, Secretary, Wildomar Cemetery District. Ms. Hunter spoke in opposition of the consolidation. She said that there was no confusion as to boundaries since they went by the TRA numbers. She said that the District was not in a fiscal crisis. She also said that the District does not foresee running out of room and they were not going to be acquiring land.

Peter Dawson, 18010 Grand Avenue, Lake Elsinore, CA 92530. Mr. Dawson spoke in opposition of the consolidation.

Richard Staley, 21341 Olive Street, Lake Elsinore, CA 92530. Mr. Staley spoke in opposition to the consolidation.

Fred Crowe, 18740 Collier Avenue, Lake Elsinore, CA 92530. Mr. Crowe spoke in opposition to the consolidation.

Chair Lowe closed the public hearing.

Commissioner Starrs asked for clarification on the number of board members.

Commissioner Williams discussed the land value and other concerns brought to his attention by the public.

Moved (Williams) seconded (Buster) to continue LAFCO 2005-103-1-Consolidation of Elsinore Valley and Wildomar Cemetery District off calendar after the incorporation of Wildomar is settled.

7/0

The Commission decided to take item 4.h. at this time.

- h. 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 May 24, 2007).**

Mr. Fowler stated that the applicant had requested a one month continuance.

Moved (Henderson) seconded (Starrs) 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 August 23, 2007.

7/0

The Commission decided to take item 4.m. at this time.

- m. LAFCO 2007-06-4-Reorganization to Include Annexation 58 (Bowie) to the City of Coachella, Annexation to the Coachella Fire Protection District,(subsidiary) & Annexation to the Coachella Sanitary District (subsidiary) and Detachments from the Coachella Valley Water District, Southern Coachella Valley Community Services District., County Service Area 125, the Riverside County Waste Resources Management District.

Moved (Henderson) seconded (Williams) to continue LAFCO 2007-06-4-Reorganization to Include Annexation 58 (Bowie) to the City of Coachella, Annexation to the Coachella Fire Protection District,(subsidiary) & Annexation to the Coachella Sanitary District (subsidiary) and Detachments from the Coachella Valley Water District, Southern Coachella Valley Community Services District., County Service Area 125, the Riverside County Waste Resources Management District to August 23, 2007.

7/0

The Commission decided to take 5.a. and b. at this time.

5. RECEIVE AND FILE:

- a. Information Items: Proposals Received (Government Code Section 56857, 56751):
- i. LAFCO 2007-46-5-Request for Reconsideration of Resolution No. 43-07 Approving LAFCO 2006-152-5 SOI Amendment (addition) to the City of Desert Hot Springs & Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District.
 - ii. LAFCO 2007-47-3-Annexation to Valley-Wide Recreation & Park District.
 - iii. LAFCO 2007-48-5-Request for Reconsideration of Resolution No. 43-07 Approving LAFCO 2006-152-5 SOI Amendment (addition) to the City of Desert Hot Springs & Reorganization to Include Annexation 30 (Palmwood) to the City of Desert Hot Springs & Detachment from the Riverside County Waste Resources Management District.
 - iv. LAFCO 2007-49-1-Annexation 16 to County Service Area 142.
 - v. LAFCO 2007-50-5-Activation of Latent Powers (Wastewater) for

Beaumont Cherry Valley Water District.

- vi. LAFCO 2007-51-3-Annexation 24 to County Service Area 145.
- vii. LAFCO 2007-52-3-Annexation 67 to County Service Area 69.
- viii. LAFCO 2007-53-1-Annexation 109 to County Service Area 103.
- ix. LAFCO 2007-54-4-Reorganization to Include Annexation to the City of Rancho Mirage (Agua Caliente) and Detachment from the Riverside County Waste Resources Management District.

b. LAFCO Monthly Expenditure Review.

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

The Commission decided to take item 4.t. at this time.

t. Amendment to the LAFCO Processing Fee Schedule.

Mr. Spiliotis presented this item. He stated that there had not been an increase in fees since 2001.

Chair Lowe opened the public hearing and there being no one wishing to speak the public hearing was closed.

Moved (Henderson) seconded (Starrs) to approve the Amendment to the LAFCO Processing Fee Schedule as recommended by staff.
7/0

8. MISCELLANEOUS STAFF REPORT.

Mr. Spiliotis reminded the Commission of the CALAFCO conference dates.

9. PUBLIC COMMENTS

There were no public comments.

10. ADJOURNMENT.

The Commission adjourned at 3:13 p.m.

Respectfully,

George J. Spiliotis
Executive Officer