

2.
6/25/2009

MINUTES
June 4, 2009

Present: Russell Kitahara, Chair
Bob Buster, Vice Chair
Phil Williams
Terry Henderson
Robin Lowe
Stephen Tomanelli
John Tavaglione

Present Staff: George J. Spiliotis, Executive Officer
Adriana Romo, Local Government Analyst II
Crystal Craig, Local Government Analyst II
Elena G. Medina, Executive Assistant II
Elizabeth Valdez, Secretary
Pam Walls, Legal Counsel

1.1 CALL TO ORDER AND SALUTE TO THE FLAG.

The meeting was called to order by Chair Kitahara at 9:05 a.m.

1.2 ROLL CALL.

2. APPROVAL OF MINUTES OF APRIL 23, 2009.

Moved (Henderson) seconded (Buster) to approve the minutes as presented.

7/0

3. Consent (Non-Hearing Items):

- a. LAFCO 2009-05-4-Annexation 3 to County Service Area 53.

Moved (Lowe) seconded (Williams) to approve LAFCO 2009-05-4-Annexation 3 to County Service Area 53.

7/0

4. PUBLIC HEARINGS:

Continued:

- a. LAFCO 2008-09-4-Sphere of Influence Amendments (additions) to the City of Cathedral City (Thousand Palms) and the Cathedral City Community

Services District (Subsidiary). (Continued from October 23, 2008; Staff recommends continuance to October 22, 2009).

Moved (Williams) seconded (Lowe) to continue LAFCO 2008-09-4-Sphere of Influence Amendments (additions) to the City of Cathedral City (Thousand Palms) and the Cathedral City Community Services District (Subsidiary) to October 22, 2009.

7/0

b. Final Budget for Fiscal Year 2009-10.

Mr. Spiliotis presented the Budget report as outlined in the staff report.

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

Moved (Lowe) seconded (Buster) to approve the Final Budget for Fiscal Year 2009-10 as recommended by staff.

7/0

c. LAFCO 2008-20-1-Municipal Service Review and Sphere of Influence Amendment(addition) to the City of Temecula (Santa Margarita Area) and the Temecula Community Services District (subsidiary).

d. LAFCO 2008-21-1-Reorganization to Include Annexation to the City of Temecula (Santa Margarita Area) and the Temecula Community services District (subsidiary) and Concurrent Detachments from County Service Area 152 and the Riverside County Waste Resources Management District.

Mr. Spiliotis presented both proposals as outlined in the staff report. Mr. Spiliotis also gave a Google Earth overview presentation of the annexation area.

Chair Kitahara opened the public hearing.

Chair Kitahara called the group presentations in support of the annexation.

Group Presentations in Favor of the annexation:

City of Temecula:

Shawn Nelson, City Manager, City of Temecula, 43200 Business Park Drive, Temecula, CA 92590. Mr. Nelson expressed his opposition to staff's recommendation and stated that the residents of the City of Temecula had also expressed their strong support to the annexation. He further stated that LAFCO's responsibility was to promote the pursuit of local control. He said that if this was not the case then why would communities incorporate. He said that local control was the essence of why they do what they do and should not be compromised.

Jeff Comerchero, Mayor Pro Tem, City of Temecula, 43200 Business Park Drive, Temecula, CA 92590. Mr. Comerchero expressed the City's desire to make this proposed area part of the City of Temecula. He said that the City's intention for this area was to insure protection from incompatible

development. He said it had been the City's vision to include the area in the first adopted General Plan in 1993. He said that the proposed annexation area had been studied by researchers and scientists throughout the United States and the world. Mr. Comerchero discussed the EIR and the fact that there were no challenges to the EIR when it was submitted. Mr. Comerchero questioned the fact that the information contained in the EIR was not addressed in the staff report. He also discussed the surface mining impacts to the area in relation to truck trips, air quality and the habitat species living in the Santa Margarita Ecological Reserve. He said that the surface mine will block the recently approved MSHCP wild life corridor that connects two mountain ranges and denial of the annexation will forever sever the corridor. He further stated that these facts were clearly stated in their unchallenged EIR. He said that the approval of a mining project adjacent to the Santa Margarita Ecological Reserve will affect the vitality of the area. He said that aggregate can be mined nearly anywhere in Southern California. He said that because there was no aggregate shortage, it was not unique to the annexation area. He said that the residents who live near the annexation area will be greatly affected by noise, blasting, grading, lighting, glaring and dust. He said that based on the legally unchallenged EIR, surface mining was not an appropriate or compatible use for the area.

Maryann Edwards, Mayor, City of Temecula, 43200 Business Park Drive, Temecula, CA 92590. Ms. Edwards addressed the concern of land use and surface mining in regards to the annexation area. She also discussed the fact that this was a local, not a regional decision. Ms. Edwards stated that the California League of Cities believed that local self governance is the cornerstone of democracy. She stated that the reason they should preserve local government control was because every city, water district, and tribal government had been or will be impacted by outside interest who wish to usurp local control. She said that if surface mining was now being proposed for the open space preservation area specified in the City of Temecula's General Plan more than 16 years ago, then Temecula should decide the question of compatible use. She said that the regional need in this case was an alleged shortage of aggregate. She said that the City of Temecula certified and unchallenged EIR clearly showed that there was no shortage of aggregate in Riverside County. She said that this fact was not challenged by any agency or by Granite Construction. She said that there were hundreds of acres and numerous locations in Riverside County where the exact composition of aggregate was abundant and this fact was not challenged by Granite Construction or anyone else. Ms. Edwards stated that any decision related to the Santa Margarita Ecological Reserve should be made entirely by the City of Temecula. She said that if an open pit mine is being proposed within one half mile of the City of Temecula's boundary impacting the most pristine areas of Riverside County and affecting the 100,000 residents of the City of Temecula, then the City should determine the question of compatible use. Ms. Edwards requested the Commission to approve the annexation for it had been their goal since 1993 to preserve the pristine area of the Santa Margarita Ecological Reserve with its natural resources like no other on earth. She thanked the Commission and stated that she was available to answer any questions.

San Diego State University/Santa Margarita Ecological Reserve:

Dr. Matthew Rahn, Director of the Field Stations Program, San Diego State University. Professor Rahn highlighted the benefits of annexing the proposed area to the City of Temecula. He said it was a true resource to the region and was the outside classroom to many students of San Diego State University. He said that research happened on the property 24 hours a day, 365 days a year. He said that the question for the Commission was if they were going to propose a project for this area how would this project substantially interfere with the movement of wildlife. He said that unquestionably it would. He said that this was a major land use change not compatible with the movement of wildlife. He stated that the Santa Margarita River was the last fully protected free flowing river in Southern California.

Save our Southwest Hills:

Cliff Hewlett, Board Member of SOS, Temecula, CA. Mr. Hewlett expressed concern with the facts considered in making the staff's recommendation. He also expressed concern with the way the residents living near the proposed annexation will be affected. He said that the raw materials that will be produced at the surface mine were in abundance at other less invasive locations. He requested the Commission to carefully evaluate all the factors at hand before making their final decision.

Barbara Wilder, speaking on behalf of the members of SOS. Ms. Wilder stated that they joined with Save Our Southwest Hills Group to request the Commission to approve the annexation to the City of Temecula. Ms. Wilder recognized that open spaces were rare and urged the Commission to vote yes and vote for annexation because it was the right thing to do.

Kathleen Hamilton, President of Save Our Southwest Hills. Ms. Hamilton gave a brief history of the Santa Margarita area and expressed the reasons the Commission should approve the annexation to the City of Temecula. She also restated the strong resident support via signatures and attendees to the LAFCO meeting.

Ray Johnson, resident of City of Temecula. Mr. Johnson went over the City of Temecula's EIR and said there were numerous areas for new aggregate that could also meet the new regional demands. He said that it was a natural decision to approve the annexation to the City of Temecula. He said that the Commission was responsible for serving the public interest not private interest.

Pechanga Band of Luiseno Indians.

Laura Miranda, Deputy General Counsel for the Pechanga Band of Luiseno Indians. Ms. Miranda stated that the place of the Pechanga Tribe was in support of the annexation because the area at issue was the Pechanga Tribe's creation and origin and most important sacred area to the tribe.

Mark Macarro, Tribal Chairman, Pechanga Band of Luiseno Indians, P. O. Box 1477, Temecula, CA 92592. Mr. Macarro walked the Commission through the historical context and the importance and significance of the area to the Tribe. Mr. Macarro stated that the quarry and annexation area included a very sacred area to the Tribe and for this reason he urged the Commission to

approve the annexation to the City of Temecula. Mr. Macarro stated that if the annexation was not approved they were going to lose yet another cultural and religious landmark which was very vital to their people.

Commissioner Lowe asked Mr. Macarro that given the importance of the area to the Pechanga Tribe had he attempted to place the property in trust. Mr. Macarro responded in the negative.

Sierra Club:

Rick Estes, Chair of the San Gorgonio Chapter of the Sierra Club, 31083 Avenida Buena Suerte, Temecula, CA 92591. Mr. Estes expressed the support of the Sierra Club for the property under consideration by the City of Temecula. He urged the Commission to approve the annexation.

Jim Mitchell, Chair of the Santa Margarita Chapter of the Sierra Club. Mr. Mitchell stated that with the approval of the annexation much needed trails will be developed to extend the Santa Margarita trails. Mr. Mitchell stated that the Sierra Club urged the Commission to support the City of Temecula's request for annexation.

A video presentation was played for the Commission.

The California Avocado Growing Community and the California Avocado Commission:

Ohannes Z. Karaoghlanian, Commissioner, California Avocado Commission, and Vice President of the Santa Margarita Ranchos Property Owners Association 48336 Via Vaquero, Temecula, CA 92590. Mr. Karaoghlanian expressed his support for the City of Temecula's request for annexation. Mr. Karaoghlanian discussed in detail the effects the denial of the annexation will have on the avocado groves.

Fred Hayes, P. O. Box 130, Temecula, CA 92593. Mr. Hayes stated that he had to come and support the efforts of the City of Temecula to annex the last open space south and west to the City of Temecula.

The following persons spoke in favor of annexing the Santa Margarita Area to the City of Temecula:

Curtis LeBlanc, 40214 Via Marisa, Murrieta, CA 92562. Mr. Le Blanc agreed with all the presentations and everything already said in support of the annexation.

Wayne Hall, 42131 Temecula, CA 92592. Mr. Hall spoke in regards to local control and in support of the annexation.

Mike Jurkosky, 47910 Rainbow Glen, Temecula, CA 92592. Mr. Jurkosky spoke regarding his property that had been in the family for more than 50 years and was near to the proposed project. He further commented how the disapproval of the annexation will affect his property, water sources and emergency services to the area.

Susan Miyamoto Jurkosky, 47910 Rainbow Glen Road, Temecula, CA 92592. She spoke on behalf of several property owners that were in support of the annexation to the City of Temecula which will allow them to have a strong voice in their own destiny.

Phillip Hunter, 46201 Via Vaquero, Temecula, CA 92590. Mr. Hunter said that he is an avocado grower and was here to go on record that he is in support of the annexation.

Jane Block, Two Trees, Riverside, CA. Ms. Block said although she lived in Riverside, she was here to support all the residents that came to this meeting to support the annexation to the City of Temecula.

Norma Schoedl, 34721 Madera De Playa, Temecula, CA 92592. Ms. Schoedl spoke in regards to the dust the quarry will create for the residents of the valley and the impacts of the water that will be used by the quarry if the annexation is denied.

Bud Swanson, Rainbow Planning Group, 764 Rainbow Court, Rainbow, CA 92028. Mr. Swanson stated that he was an avocado grower. He spoke regarding the water that will be used by the quarry and how this impact was going to affect their farming.

Jim Anderson, Rainbow Planning Group, 7432 Rainbow Heights, Rainbow, CA 92028. Mr. Anderson expressed concern with the increase in traffic if the annexation was denied.

Paul Jacobs, 32370 Corte Zamora, Temecula, CA 92532. Mr. Jacobs spoke in regards to open space buffer zones and the importance and benefits of having open spaces.

John B. Rogers, 44475 Calle Vista Lejos, Temecula, CA 92590. Mr. Rogers read a letter from her grand-daughter and how the quarry will affect the air quality in their area.

Jimmy Moore, Temecula Valley Historical Society, 43557 Savona Street, Temecula, CA 92592. Mr. Moore spoke in regards of the effects the disapproval of the annexation will have on the Santa Margarita Ecological Reserve.

Mary Jean Gordon, 41734 Colonial Court, Temecula, CA 92591. Ms. Gordon spoke regarding the effects the quarry will have on air quality in their area.

Maryann Byers, 49275 Via Vaquero, Temecula, CA 92593. Ms. Byers spoke in support of the annexation.

John Kelliher, Temecula Valley Convention and Visitors Bureau, 29909 Corte Castille, Temecula, CA 92591. Mr. Kelliher spoke about the effects the project will have on tourism and stated that their board was in full support of the annexation to City of Temecula.

Kathleen Head, 40123 Corte Lorca, Murrieta, CA 92562. Ms. Head spoke in regards to land use issues and local control.

Don Swift, 32071 Corte Bonilio, Temecula, CA 92592. Mr. Swift expressed his opposition to staff's recommendation. He also discussed land use issues, and local control.

Mrs. Janicy Willis, 30910 Crystalaire Dr., Temecula, CA 92591. Ms. Willis spoke in regard to having the right to determine their future and local control.

Jim Oenning, 3507 Lake Park Avenue, Fallbrook, CA 92028. Mr. Oenning expressed concern with the possibility of water contamination to the area residents.

The Commission recessed for lunch at 12:02 and reconvened at 12:50 p.m.

George DiLeo, 32871 Rovato Street, Temecula, CA 92892. Mr. DiLeo spoke in regards to the possibility of waste materials contamination to the area residents.

Pam Nelson, representing the Boards of EMA Resource Conservation District, 23905 Clinton Keith Road, Wildomar, CA 92595. Ms. Nelson stated that the Board was in full support of the annexation to the City of Temecula. She further expressed concern with water contamination and allowing the area to remain open space.

Tom D'Agostino, representing San Diego State University, 1415 L. Street, Sacramento, CA 95814. Mr. D'Agostino spoke regarding the Reserve and the fact that it did not have proper protection. He stated that under the annexation privileges, the Reserve will be protected with the normal requirements that the State and Federal Governments will look at. He said that the annexation will enhance and expand the partnership they have between the City of Temecula, the University and the Pechanga Tribe which will benefit not only the region but the entire state.

Osa Wolff, Attorney, Shute, Mihaly and Weinberger, representing San Diego State University Research Foundation. Ms. Wolff went over some of the legal issues in regards to government services, land use issues and rezoning issues stated in her letter to the Commission dated June 2, 2009.

Ron Rempel, 823 C Avenue, Coronado, CA. Mr. Rempel spoke regarding the agency that will best be able to look after the quarry that is so vital to the MSHCP work. He asked the Commission to look also at who will better be able to provide the best services to the annexation area. He said that after hearing all the experts, clearly the City of Temecula was better fit to provide those services.

Marilee Ragland, 5555 8th Street, Fallbrook, CA 92028. Ms. Ragland expressed the need to preserve the pristine place and urged the Commission to approve the annexation to the City of Temecula.

Marty Buoye, 29279 Via Santa Rosa, Temecula, CA 92590. Ms. Buoye spoke in relation to the jobs the quarry will bring to the area. She feels that the City of Temecula can do better than the 100 jobs the quarry will bring.

Dr. Dan Silver, Endangered Habitat League, Los Angeles, CA. Dr. Silver spoke in regards to environmental and economic issues.

Michael Fitts, Staff Attorney for Endangered Habitat League, 718 Esplanade, Los Angeles, and CA. Mr. Fitts stated that the real solution was for San Diego County to produce their own aggregate. Mr. Fitts asked the Commission to approve the annexation.

Michael D. Buoye, 29279 Via Santa Rosa, Temecula, CA 92590. Mr. Buoye spoke of the importance of open space to maintain a healthy community and raise property values.

Kerry Cato, Mineral and Geology Consultant for the City of Temecula, P. O. Box 891930, Temecula, CA 92589. Mr. Cato stated that he wanted to dispel the myth regarding the shortage of aggregate in Riverside County. He said that most of the existing mines export aggregate to Los Angeles and San Diego Counties. He spoke about significant aggregate supply in Riverside County. He also discussed the fact that the rock in the proposed annexation area was not unique, that the same rock exists in San Diego County.

Chris Gray, Transportation Consultant, City of Temecula, Corona, CA. Mr. Gray discussed the traffic study done and the impacts if the annexation is approved.

Heidi Rous, 1278 E. Elizabeth St., Consultant by the City of Temecula, Pasadena, CA 92204. Ms. Rous discussed the air quality impacts the quarry will have on residents of the area.

Due to the speaker's traveling arrangements, the Commission took the following speaker in opposition:

Gregg Albright, Deputy Secretary of Environmental Policy Integration, Business, Transportation and Housing Agency, 980 9th Street, Suite 2450, Sacramento, CA 95814. Mr. Albright spoke in opposition to the annexation. He stated that he was in support of generating local aggregate therefore; it put him in support of leaving this matter under the jurisdiction of Riverside County allowing the environmental documents to complete to allow full disclosure of the many issues that were being discussed but were not adequately documented. He said that the reason he was here was because they were looking at this matter at a state-wide perspective economically and environmentally. He further stated that aggregate was part of infrastructure development to improve the quality of life and it was necessary. He asked the Commission to consider immediate and long term impacts to the area not only economically but also environmentally.

The Commission continued to hear the speakers in favor of the annexation.

Kelcey Stricker, Graduate Research Programs, San Diego State University, 5500 Campanile Dr., San Diego, CA 92182. Ms. Stricker spoke in regards to evaluating the viability of the linkage in the area. She said she was the only researcher who was currently collecting data of animal movement in the area. She said that the linkage was not dead but it was viable and it was important to support this with data and not just assumptions.

Fred Bartz, 33850 Sattui Street, Temecula, CA 92592. Mr. Bartz spoke of the importance of local control and strongly expressed his support for the annexation proposal.

Robbie Adkins, 45981 Classic Way, Temecula, CA 92592. Ms. Adkins introduced a 2 minute video presentation in favor of the annexation proposal.

Richard Delnay, 1818 Via Ladera, Rainbow, CA 92028. Mr. Delnay expressed his support for the annexation to the City of Temecula.

Nita Delnay, 1818 Via Ladera, Rainbow, CA 92028. Ms. Delnay spoke in regards to all the signatures collected in support of the annexation to the City of Temecula.

Pam Grender, 45572 Callesito Altar, Temecula, CA 92592. Ms. Grender spoke in regard to saving the Southwest Hills and the traffic that will be created if the annexation is disapproved.

Ken Johnson, 44728 Corte Valencia, Temecula, CA 92592. Mr. Johnson spoke in regards to the effects the aggregate will have on air quality.

Betty Johnson, 44728 Corte Valencia, Temecula, CA 92592. Ms. Johnson spoke in regards to air contamination to the City if the annexation is disapproved.

Pete Friederich, 30573 Greenway Circle, Temecula, CA 92592. Mr. Friederich spoke in regards to local control because it allowed the decisions to be made locally by the residents who live in the area.

Lynn Davis, 6589 Rainbow Heights Road, Fallbrook, CA. Ms. Davis spoke in regards to the possibility of water contamination and the effects it will have on their farming if the annexation is disapproved.

Kim Wilder-Lee, 44921 Vine Cliff Street, Temecula, CA 92592. Ms. Wilder-Lee read a letter from David Gemmill-Air Quality Management Specialist regarding air quality in the annexation area.

Brynley Lee, 44921 Vine Cliff Street, Temecula, CA 92592. Mr. Lee spoke in regards to the air quality and the effects it will have if the annexation is disapproved.

Wallace Tucker, Chairman of the Land Conservancy, Fallbrook, CA. Mr. Tucker spoke in regards to the importance of local control to determine their own destiny.

Jerri Arganda, Rainbow, CA. Ms. Arganda spoke in regards to the importance of conserving the open space hills.

Joe Hudson, Fallbrook, CA. Mr. Hudson spoke in regards to tourism and the revenue it generates to benefit the City of Temecula.

Polly Johnson, on behalf of Dr. Daniel Robbins, 26785 Camino Seco, Temecula, CA 92590. Ms. Johnson introduced a short video presentation that Dr. Daniel

Robbins made in support of the annexation to City of Temecula and the effects of air quality contamination it will have on his patients due to incompatible land use.

Mary Bianca, 45656 Caminito Olite, Temecula, CA 92592. Ms. Bianca spoke in regards to the air quality contamination it will have on the residents of Temecula.

Bill Wilson, Wilson Creek Winery, 35960 Rancho California Road, Temecula Creek Winery. Mr. Wilson spoke with many hats regarding his support to the annexation to the City of Temecula.

Allison Dale, 15834 Gila Way, Riverside, CA 92508. Ms. Dale spoke in regards to her opposition to the construction of the quarry.

Carole Crocker, 45653 Corte Royal, Temecula, CA 92592. Ms. Crocker spoke in regards to the benefits of being part of the City of Temecula.

Daniel Matrisciano, 39533 Calle Anita, Temecula, CA 92592. Mr. Matrisciano spoke in regards to the need of doing more research to see if the quarry was really needed.

Howard Omdahl, 9207 Copper Trails Lane, Valley Center, CA. Mr. Omdahl expressed his concerned with the construction of the quarry and how the quarry will drain all the water from the mountain destroying their property.

Maria Macias, 33607 Abbey Road, Temecula, CA 92592. Ms. Macias expressed her concern of having better air quality for her kids who have asthma and bronchitis.

Grey Frandsen, Temecula, CA. Mr. Frandsen concurred with everything that already had been said and he said that he supports the ability to control their own destiny for local control. He felt that the City of Temecula was best suited to make their local decisions.

The Commission recessed for break at 3:02 and reconvened at 3:21 p.m.

The following persons were neutral to the annexation proposal:

Andre O'Hara, Commander of the Southwest Station, Chief of Police, Temecula Police Department, 30755 Ahuld Road, Murrieta, CA 92563. Mr. O'Hara spoke about the different areas his department provides services and the time response to those areas.

Greg Pelka, California State Lands Commission, 200 Oceangate, 12th Floor, Long Beach, CA 90802. Mr Pelka expressed his concern that if the annexation was approved, the State Teachers Retirement System would be affected by several hundreds of millions of dollars.

Commissioner Buster commented that he was surprised that a pension plan on behalf of the State Teachers Retirement System was investing in mineral rights that might be or might not be used. He asked Mr. Pelka if the pension fund had suffered any economic downturn due to the current economy.

He also asked if this was the reason for the critical approval of this quarry.

Mr. Pelka said that they managed the lands in a fiduciary capacity for the State Teachers Retirement System and whatever money was generated, 100% of it went to the retired teachers.

Commissioner Buster asked Mr. Pelka if the retired teachers in the area will support him. Mr. Pelka responded that he was not sure that many people new this facet about the quarry project.

Commissioner Tavaglione asked how long the retired teachers had this asset. Mr. Pelka responded that it was codified? back in the 1980s whereby they sold off the surface of the land and retained the minerals. Mr. Pelka stated that they had a mineral interest in the proposed Liberty Quarry of approximately 310 acres.

Commissioner Williams asked what would be the benefit to the teachers pension plan. Mr. Pelka responded that he did not know at the time but it would be several hundreds of millions of dollars.

David Fulcher, Cal Fire/Riverside Co. Fire, 210 W. San Jacinto Avenue, Perris, CA 92570. Mr. Fulcher spoke in regards to fire protection impacts to the area.

The following persons spoke in opposition of the annexation proposal:

Group Presentation by Granite Construction:

Gary W. Johnson, 38740 Sky Canyon Drive, Suite C, Murrieta, CA 92563. Mr. Johnson stated that 85 percent of the site was already protected open space which was own by the State, Federal Government and SDSU Foundation. He said that 70 percent of the property owners near the annexation area had submitted their opposition to annexing their land to the City of Temecula including Granite Construction. He said that regarding existing land use designation, the State Mining and Geology Board had classified the area as an important mineral resource. He said that the City of Temecula's proposal was inconsistent with existing land use designations. He further discussed comments received from public agencies like Caltrans, Department of Conservation, State Mining and Geology Board, State Lands Commission, Bureau of Transportation and Housing stating that there was a significant shortage of aggregate in Western Riverside County. He said that if the annexation was approved, it will have a negative effect on adjacent areas because of increase of truck traffic, air emissions, loss of jobs, road deterioration and fuel usage. He further stated that 89 percent of the proposed annexation area was not within the City's sphere of influence.

Larry Markham, Markham Development Management Group, Consultant for Granite Construction. Mr. Markham discussed the 81 lots the City of Temecula included in their study the feasibility of those lots. He said that to build on existing lots, they will have to go through a discretionary permit requirement which will make it almost impossible to develop that area given all the restrictions.

David Taussig, David Taussig and Associates. Mr. Taussig addressed cost and the ability to provide municipal services to the proposed annexation area. He said that based on their study and considering the current economic crisis of the state it was highly unlikely that the City will be able to provide greater municipal services than those services already being provided. Mr. Taussig stated that there were numerous other costs that were not accounted for in the total figures. He said that based on his study the proposed annexation will not be fiscally feasible as required by law.

Mr. Gary Johnson stated that in conclusion Granite Construction felt that the annexation should be denied because it failed to meet LAFCO Guidelines. He said that the large majority of private property owners were opposed to the annexation. He said that many local, regional and State benefits will be lost if the annexation is approved. He concluded by stating that they were in full agreement with staff's recommendation and urged the Commission to deny the application for annexation to the City of Temecula.

Group Presentation by Friends of Liberty:

O.B. Johnson, Chairman, Friends of Liberty, 40335 Winchester road, Ste. E. #525, Temecula, CA 92591. Mr. Johnson stated that they found very little benefit to the local tax-payers if the annexation was approved. He said that on the other hand, there will be many regional benefits that will be lost if the annexation was approved. He said that the annexation will result in the loss of mineral resources extraction. He said that the discussion of the quarry should remain within the Board of Supervisors' venue which was the right venue to discuss the issue at hand. He said that the regional impacts of transporting aggregate from further areas will result in harmful air, increased traffic, and high costs for construction materials. He said he understood the concerns but also supported the ongoing environmental review by the County of Riverside. He urged the Commission to deny the annexation and allow the County to complete its review.

Dr. John Husing, economist on behalf of Friends of Liberty. Mr. Husing presented the Commission with a slide presentation addressing the economic benefits and losses if the annexation was approved. One of the things he discussed was the lack of jobs in the area and how the quarry will help with this concern by adding over 270 jobs.

Mr. O.B. Johnson summarized by stating that the quarry will meet significant needs for aggregate in the region and will reduce truck traffic on the I-15 and in the surrounding areas. He said that annexation will result in the loss of regional benefits.

Following are the individual speakers in opposition:

Bill Campbell, 3414 Broken Feather Drive, Norco, CA 92860. Mr. Campbell spoke in regards to the benefits to the region the aggregate industry will bring.

Kurt Davis, 72814 Arboleda Drive, Palm Desert, CA 92260. Mr. Davis spoke in opposition to the annexation on behalf of Superior Ready Mix Company and how important aggregate was to the success of their company.

Charlie Cox, Ironman Parts and Services, 2535 Anselmo Drive, Corona, CA 92879. Mr. Cox spoke regarding the proposed clean truck program and the effect the emissions will have on the truck trips.

Malcom Driggs, Public and Operating Engineers, 20190 Brown Street, Perris, CA 92570. Mr. Driggs spoke in regards to the economic incentives and benefits the quarry will have in the region, specifically the apprentice program that will benefit many in the region.

Bill Perez, Building Trades Council, 11633 Victoria Avenue, Riverside, CA 92503. Mr. Perez spoke in regards to the negative impacts on jobs the annexation will have if it is approved.

Ricardo Obalde, Riverside County Workforce Development, 2207 Willowbrook Lane, Perris, CA 92571. Mr. Obalde stated that their agency helped the workforce improve their skills and improve the standard of living in the area. He stated that these newly trained people will be looking for jobs that the quarry project could provide to help improve the economy in the region; therefore, he urged the Commission to deny the annexation.

Lee Haven, 45-450 Chocta Circle, Indian Wells, CA 92210. Mr. Haven read a letter from the City of Indio which stated that if the annexation was approved it would negate the County of Riverside's ability to complete the environmental review of the proposed Liberty Quarry project.

Lucille Grunder, property owner. Ms. Grunder expressed concern regarding her property because if it was annexed by the City of Temecula it will have no value and their retirement investment will become non-existent.

Arthur Hausen, property owner. Mr. Hausen expressed his support for Granite Construction and felt assured that they will be very environmentally sensitive and will protect their home.

Peter Gonzales, 659 Third Avenue, Chula Vista, CA 91910. Mr. Gonzales expressed concern that his property will have no value if the annexation was approved to the City of Temecula.

Dave Nieto, property owner. Mr. Nieto expressed concern that his property will have no value if the annexation was approved to the City of Temecula.

Kishor Doshi, property owner. Mr. Doshi expressed concern that his property will have no value if the annexation was approved to the City of Temecula.

Otto R. Heiligman III, 10375 Brookmead Drive, Moreno Valley, CA 92557. Mr. Heiligman spoke in support of Granite Construction because they always took in consideration all the environmental concerns before doing business with anyone. He also stated that the quarry will be economically beneficial to area.

Bob Kowell, Murrieta, CA. Mr. Kowell read a letter from Ken Dixon expressing his opposition to the annexation to the City of Temecula.

James Brownyard, BIA/Desert Charter, 77570 Stringfield Lane, #E, Palm Desert, CA 92211. Mr. Brownyard read a letter from the Executive Director, Fred Bell in opposition to the annexation proposal.

Peter Sturgeon, 73185 Somera Road, Palm Desert, CA 92260. Mr. Sturgeon stated that it did not make sense to haul aggregate long distance when it was readily available in the southwest County; therefore, he was opposed to the annexation proposal.

David Green, 76945 Sheffield Court, Palm Desert, CA 92211. Mr. Green discussed the economic benefits the quarry will have on the region.

Julio Marroquin, LIUNA Union, 4467 Rubidoux Avenue, CA 92506. Mr. Marroquin discussed the big responsibility the Commission had on their hands and how that decision was going to impact the many workers in the region.

Adele Harrison, 45244 Laurel Glen Circle, Temecula, CA 92592. Ms. Harrison discussed how the annexation, if approved, will impact the retired teacher's pension.

Ralph Caracoza, Jr., 24425 Skyview Ridge Drive, Murrieta, CA 92562. Mr. Caracoza stated that he could not see any benefits to annexing to the City of Temecula therefore, he supported the quarry project.

Rich Loomis, 529 San Clemente Court, Hemet, CA 92545. Mr. Loomis expressed his concern with truck traffic during the noon hours everyday and how the quarry will alleviate this concern.

Stephen Bledsoe, representing the California Construction and Industrial Materials Association, 3160 Fair Oaks Avenue, S. Pasadena, Ca 91030. Mr. Bledsoe discussed the shortage of aggregate in the region and how much this quarry was needed.

Richard Brady, P. O. Box 284, Bonsall, CA 92003. Mr. Brady expressed his support for the quarry because the project will alleviate the high cost of materials.

William Mosby, California Department of Transportation, 464 W. 4th Street, San Bernardino, CA 92410. Mr. Mosby discussed how having a quarry locally will save the tax payers millions of dollars. He said that the California Department of Transportation strongly supported Riverside County's environmental process.

Ray Bennett, 29201 Ynez Road, Temecula, CA 92592. Mr. Bennett stated that the County of Riverside had the zoning in place to protect the reserve; therefore, he strongly supported Riverside County's environmental process.

Carrie Ruther, spoke on behalf of Greg Morrison. She said he was in opposition to the annexation and that the open space was already protected. She asked the Commission to protect the property rights of the land owners who do not wish to be annexed by the City of Temecula.

Gary Harrison, 45244 Laurel Glen, Temecula, CA 92592. Mr. Harrison did not see any major concerns for himself or anyone else if the quarry project moved forward.

Andy Domenigoni, 1st Vice President representing Riverside County Farm Bureau. Mr. Domenigoni read a letter from Peter Rabbit Farm indicating there was no negative impact from the mining activity on their farming operations and expressed their support for Granite Construction.

Stephen Matich, Matich Corporation. Mr. Matich stated that his construction company had been in business for many years and was in full support of the quarry that will benefit the area economically for many years to come.

Don Dible, 29925 Rose Blossom Drive, Murrieta, CA 92563. Mr. Dible expressed his opposition to the annexation proposal.

Jane K. Powell, 81 Don Quixote, Rancho Mirage, CA 92271. Ms. Powell expressed her opposition to the annexation.

Mark Harrison, Attorney representing Granite Construction, 400 Capitol Mall, Sacramento, CA 95814. Mr. Harrison stated that his job was to make sure they were in compliance with the mining laws, local land use regulation and the environmental laws with respect to assessment impacts and the mitigation of those impacts. He said that the process had been going on for approximately four years with Riverside County and many detailed studies had been done and shortly a complete EIR will be produced. He said that when a proper EIR is done by a responsible company and reviewed by an unbiased agency, not all but many of the public concerns will be satisfied. He further stated that the Commission should not deny a quarry until the proper CEQA analysis was done. He said that the Santa Margarita Ecological Reserve is already protected by the County's open space laws.

Commissioner Lowe asked if Mr. Harrison had experience with Tribal Nations to meet mitigation concerns and find solutions with them. Mr. Harrison responded that he did and Granite did as well.

Warren Coalson, 3511 Camino Del Rios, San Diego, CA 92108. Mr. Coalson stated that he was representing the Riverside Chapter of Construction Industrial Mineral Association of California. Mr. Coalson stated there was a shortage of aggregate because sites were not being permitted to be developed. He said that the region needed more quarries the size of Liberty Quarry to maintain the current growth. He said that the City of Temecula was built largely on aggregates from San Diego County.

Commissioner Lowe asked Mr. Gary Johnson how much water they will be using in their project. Mr. Johnson responded that they will be using 500 acre feet of water annually. Mr. Johnson stated that he understood the concerns of the farmers and residents of the area. He said that they had worked with the County of Riverside to cut the water usage by 26 percent. He said that the maximum they ever used was 300 acre feet of water. He said that they recycled the water as well. Commissioner Lowe further asked what their plans were when the quarry was completed. Mr. Johnson responded that the reclamation mine final use will be open space that will be re-vegetated. He said that if somebody wanted to do something with it, it will be available.

Commissioner Henderson asked Mr. Johnson to address the air quality concerns expressed by the speakers. Mr. Johnson responded that a very extensive air quality analysis had been done and the air quality impact assessment had been made available to the public. He said that a copy was available on their web page and had been sent to several consultants. He also stated that the County had hired a consultant to review the analysis and the consultant had made recommendations and changes and all that information was included in that analysis. He said that crystalline silica was not an issue with the quarry. He said it was an issue with manufacturing countertops.

Commissioner Henderson asked Mr. Johnson how they were going to reduce the amount of water usage. He said that the level of dust emissions was very low because most of the equipment was enclosed. He said it would be very low compared to what people envisioned. Mr. Johnson stated that he understood the people's concerns, but those concerns needed to be addressed through the County's process.

REBUTTAL BY THE CITY OF TEMECULA:

Shawn Nelson, City Manager, City of Temecula. Mr. Nelson stated that in their view the City's environmental report should be the legally binding and defending statement regarding all the environmental facts that relate to surface mining. He said that the document went through two years of reviews and it was publicly circulated twice. He said that this should be the statement of record with respect to all environmental decisions made regarding this project. He said that the statements made by Granite Construction were speculative because they had not circulated their environmental impact report. He said that the public had not had the opportunity to analyze any of the statements, the claims and allegations that had been stated by Granite Construction and had not had the opportunity to go through the public review process. He said that the request for annexation was within the policies and guidelines of LAFCO. He also stated that their environmental report had specific guidelines for protecting the Santa Margarita Ecological Reserve to maintain and enhance the resources of the Santa Margarita River and wildlife corridors. He said that it was very clear within the General Plan that this area was very important to the City of Temecula and the preservation of the area as open space. He said that the preservation of water and open space was very important to all LAFCO Commissions throughout the State of California. He said that in regards to the aggregate in the area, their certified EIR stated that other areas in Riverside and San Diego Counties could provide enormous amount of aggregate to the region; therefore, it was clear that there was not a shortage of aggregate in Riverside County. He said that CALTRANS did not state that the aggregate from the Liberty Quarry project was the only aggregate in the area. He said that they were concerned with aggregate throughout the region and throughout the State but not specifically this quarry. Mr. Nelson said that an earlier speaker stated that there was no State planning for aggregate in the State of California and if aggregate was not an important issue than why the State addressed this aggregate problem throughout the State and why was the City of Temecula and Southwest Riverside County's responsibility to provide aggregate shortage for the entire State of California. He said that if San Diego County needed aggregate, they needed to solve their own aggregate problem. He said that in regards to traffic

the Liberty Quarry would actually increase vehicle miles traveled in the region by approximately 45,000 miles per day. He said that with respect to air quality, it will negatively impact agricultural production. He said that the quarry will exceed the Air Quality Management significant thresholds. Mr. Nelson stated that if the quarry project was approved, water could severely be depleted and will risk contamination to the surrounding open space areas. He said that spring water supplies could also be adversely affected and most likely stop flowing during the life of the quarry. He said that with respect to habitat and wildlife it would be severely impacted as well. He said that the quarry will most likely block the wildlife linkage between the Santa Ana and Palomar Mountains. He said that surface mining operations had the potential to result in erosion and loss of topsoil resulting in landslides and slope collapses. He said that substantial noise level and vibration from mine operations and blasting can be expected from surface mining and noise will deeply affect the residents and development in the area. Mr. Nelson said that ongoing noise will also affect field classes and the research being conducted in the Santa Margarita Ecological Reserve. He said that these statements were directly from their certified EIR and should carry more weight than unsubstantiated statements from a company that had not begun the circulation of its EIR. He said that the City had the resources necessary to provide the services needed to the proposed annexation. He said it was their position that the quarry was not consistent with the County's General Plan and the surrounding area, the Ecological Reserve and the MSHCP program. He said that the surface mining project might be a great project in the worst possible location. He said that every single person that lived within the annexation area was in favor of the annexation because they were the ones who were going to have to live with the impacts of the quarry. He said that this annexation was not a land grab; he said they were fulfilling the wishes of their citizens when 20 years ago they decided to incorporate. He said that those impacts could not be reversed which was the reason the EIR had so much to say about the potential impacts and that was the reason surface mining was not included within the land use designation. He said that it was the desire of their citizens to preserve this area as stated in their EIR.

Maryann Edwards, Mayor, City of Temecula, 43200 Business Park Drive, Temecula, CA 92590. Ms. Edwards reiterated what Mr. Nelson already said. She stated that they cannot stress enough how important this matter was to the residents of Temecula and the City. She thanked the Commission and urged them to vote yes for annexation.

Gerald Fawcett, Banning, CA. Mr. Fawcett expressed his opposition to the annexation proposal.

Commissioner Williams asked the City of Temecula to respond on the effect their annexation will have on the Teachers' Retirement System. He felt that the public needed to hear the City's response.

Mr. Nelson said that with respect to the California Lands Commission claim to mineral rights it was purely speculative at best. He said that they had been informed that recently there was a vote to deny a multi-million dollar project for off-shore drilling on the existing platform by the Commission and the decision made in that regard was to protect the environment over the current State budget crisis. He said that the decision regarding mineral

rights cannot be made by anyone other than the State Land Commission. He said that the speaker stated that they had not completed their negotiations with Granite Construction on this matter. He said that in their view it was purely speculative and unsubstantiated at this point.

Commissioner Lowe asked Mr. Nelson if their counsel had looked at the letter from the Lands Commission. Mr. Nelson stated that the letter addressed the environmental impact and had not looked at the fiscal impact.

Chair Kitahara asked Mr. Johnson if there were any wells below the Granite's line and asked how deep they were going to go. He asked if there were any, what did they serve and how many.

Mr. Johnson stated that it was a solid bedrock and there was no ground water at the site. He said that they were monitoring a well nearby that was a couple of hundred feet deep and was operated by a solar pump. He said they were monitoring that while drilling the holes. He said that there was no change in the water levels.

Chair Kitahara asked why the City's estimate of water usage was 41% higher than what Granite Construction had estimated. Mr. Johnson responded he did not know where the City obtained their numbers.

Chair Kitahara asked Dr. Rahn's opinion on this matter.

Dr. Matthew Rahn stated that they had two water quality monitor sensors at the Ecological Reserve. He said that one was at top of the Santa Margarita Mountain and the other in the middle of the Ecological Reserve. He said that the mountain provided a considerable amount of water into the watershed. He said there was a lot of uncertainty associated with drilling a thousand foot deep mile long trench in a hydrologically active area.

Chair Kitahara asked what was the flow of the Santa Margarita River. Dr. Rahn responded that the minimum flow was 3.5 cubic feet per second and maximum flow was 15 cubic feet per second.

Chair Kitahara closed the public hearing.

Commissioner Buster said that LAFCO was supposed to be looking at logical annexation. He said that today they were evaluating a heavy industry proposal which fully had not been fleshed out. He said that California was very dependent on aggregate mining. He said that the Temescal Valley was a good example of that. He said that fortunately, the Temescal Valley had a zone where mines were concentrated. He said that in Southern California they were very good at looking at short term solutions. He said that they all recognized that there needed to be good planning and long term good planning was essential. He said that if the State thought that this aggregate project was so important than why did the State not do a comprehensive integrated plan to try to guide local governments in the right direction using the proper criteria. He asked if San Diego was trying to push another heavy industry on Riverside County. He said that aggregate mines were not considered a critical resource yet. He said that the mine was not a priority like the jails were. He said that this was not a local mine but a mega mine. He said that the mine was located near a freeway to

minimize conflict with local trucks and traffic. He said that at the same time this area was one of the most fragile areas of Riverside County. Commissioner Buster stated that this mine will be heavily used like no other mine in the area and this heavy usage will bring impacts attracting other heavy uses. He said that this mine was going to lead into other directions that will have dramatic impacts. He said that every city was concerned with what goes on at the major entrances and major exits of their cities. He said that there was a reason why the City of Temecula had attracted stable diverse industries to their city and it was because the City had good planning. He said that annexations were not only about extending development and growth out there, but they had a dynamic purpose in the State. He said that the State recognized this in the Cortese-Hertzberg-Knox Act. He said that there had been no denial that this was a sensitive area and this project will be very difficult to mitigate. He said that he did not see this as a jurisdictional conflict. He said that as they grew, the cooperative efforts needed to be increased due to the economic crisis everyone was facing. He said that he would look at this as another level of adding proper stewardship for the critical area. He said that there had been a huge amount of public concern investment in this area. He said that mines were a major consideration. He said that this was one of the last places to put a mine because it was so fragile and so critical. He said that this was the reason under the LAFCO Rules; the City of Temecula was attempting to do good planning. He said if they did not attempt to annex this area, they would be irresponsible. He said that it took a lot of work to get compatibility. He said that based on the fragility of the area, it was important to have another level of government scrutiny of the area and urged the Commission to consider the proposal by the City of Temecula.

Commissioner Williams stated that Granite Construction had not completed its studies yet; therefore, a lot of what had been said in favor or against the project was based on speculation. He said that the County knew the needs of the Temecula area. He felt that this will not stop the City of Temecula from presenting its case in front of the Board of Supervisors. He felt that Granite Construction needed to have the ability and the proper timing to perform all the environmental studies. He said that sometimes allowing the process to move forward to another venue was better for both sides.

Commissioner Henderson said that LAFCO was bound by the rules and regulations as they understand them. She said that as one of the members of the LAFCO Commission she was responsible for looking at reasonable orderly growth in the County, a community or special district. She said that Temecula had made a good case today. She said that using the experience she had, the project had a long way to go and the people will have the opportunity to express their views. She said that the quarry project deserved the opportunity to finish the process through the County with its environmental documents.

Commissioner Tavaglione stated that he definitely saw both sides of the issue. He said they needed to continue to work together and he pledged that whatever direction this proposal went, he will work with both sides to insure that the decision that was about to be made was carried forth in the proper way. He said he supported the regional cooperation over and above the need for one particular side.

Commissioner Tomanelli moved to disapprove the application for the proposal by the City of Temecula per staff recommendation.

Moved (Tomanelli) seconded (Henderson) to disapproved LAFCO 2008-20-1-Sphere of Influence Amendment (Addition) to the City of Temecula (Santa Margarita Area) and the Temecula Community Services District (Subsidiary) and LAFCO 2008-21-1-Reorganization to Include Annexation to the City of Temecula (Santa Margarita Area) and the Temecula Community Services District (Subsidiary) and Concurrent Detachments from County Service Area 152 and the Riverside County Waste Resources Management District as recommended by staff.

5/2 (Buster and Tavaglione No)

Legal Counsel, Pam Walls stated that the Commission needed to return within 35 days to formally adopt the Resolution disapproving the proposal.

Mr. Spiliotis stated that what Legal Counsel was suggesting that the Commission return at a later date to formally adopt the resolutions disapproving the proposal.

Legal Counsel stated that it would be a Consent calendar to just approve the resolutions.

Mr. Spiliotis stated that this would be the only item on the agenda for that meeting.

After further discussion the Commission agreed to return on June 25, 2009 to adopt said resolutions.

5. RECEIVE AND FILE:

- a. Information Items: Proposals Received (Government Code Section 56857, 56751):
 - i. LAFCO 2009-10-1-Municipal Service Review - City of Wildomar.
 - ii. LAFCO 2009-11-1-Establish a Sphere of Influence for the City of Wildomar.
 - iii. LAFCO 2009-12-3&3-Municipal Service Review - City of Menifee.
 - iv. LAFCO 2009-13-3&5-Establish a Sphere of Influence for the City of Menifee.
 - v. LAFCO 2009-14-4-Annexation 3 to County Service Area 97.
 - vi. LAFCO 2009-15-5-Sphere of Influence Amendments (Addition) to Banning Library District and Reorganization to Include Annexation to Banning Library District and Concurrent Detachment from Beaumont Library District (Parcels 1&2), and Annexation to Beaumont Library District and Concurrent Detachment from Banning Library District (Parcel 3).
 - vii. LAFCO 2009-16-4-Municipal Service Review - City of Palm Desert.

- viii. LAFCO 2009-17-4-Sphere of Influence Review and Potential Amendments - City of Palm Desert.
- ix. LAFCO 2009-18-4-Municipal Service Review - City of Palm Springs.
- x. LAFCO 2009-19-4-Sphere of Influence Review and Potential Amendments - City of Palm Springs.
- xi. LAFCO 2009-20-4-Municipal Service Review - Cities of Coachella, Indio and La Quinta.
- xii. LAFCO 2009-21-4-Sphere of Influence Review and Potential Amendments - City of Coachella.
- xiii. LAFCO 2009-22-4-Sphere of Influence Review and Potential Amendments - City of Indio.
- xiv. LAFCO 2009-23-4-Sphere of Influence Review and Potential Amendments - City of La Quinta.

b. LAFCO Monthly Expenditure Review.

Moved (Henderson) seconded (Tomanelli) to receive and file 5.a. Information Items and 5.b. Monthly Expenditure Review.
7/0

6. RESPONSE TO GRAND JURY REPORT.

Mr. Spiliotis summarized the proposed response.

Moved (Williams) seconded (Henderson) to approve the Response to Grand Jury Report as recommended by staff.
7/0

7. STATUS REPORT ON CALAFCO ISSUES (ORAL REPORT)

Mr. Spiliotis stated that things did not go well at the CALAFCO Executive Board meeting and that he will be discussing this matter further with Commissioners Lowe and Henderson who were familiar with these issues and had been previously involved.

8. REQUEST FOR WAIVER OF APPLICATION FEES - DETACHMENT FROM CSA 103.

Moved (Tavaglione) seconded (Buster) to approve the Request for Waiver of Application Fees-Detachment from CSA 103 as recommended by staff.
7/0

9. CONTRACT EXECUTION -REPORT TO COMMISSION.

Mr. Spiliotis stated that this was just a formal report back to the Commission pursuant to LAFCO policy. He said that he had mentioned this verbally at the previous meeting.

10. **CANCELLATION OF JUNE 25TH MEETING.**

Moved (Henderson) seconded (Williams) to not cancel the June 25th meeting and that this meeting will be for the sole purpose of adopting the Resolutions for the Temecula proposal.

7/0

11. **EXECUTIVE SESSION:**

CONFERENCE WITH LEGAL COUNSEL:

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION.

Subdivision (a) of Section 54956.9:

- a. **CITY OF PERRIS v. LAFCO, et al.**
Riverside County Superior Court Case No. RIC486028.

There was no Executive Session.

12. **ADJOURNMENT.**

The Commission adjourned the meeting in Memory of Wilda Turner who was a Los Angeles LAFCO staff member who recently passed away. The Commission adjourned the meeting at 6:52 p.m.

Respectfully submitted,

George J. Spiliotis
Executive Officer