MINUTES
NOVEMBER 29, 2012

Present: Stephen Tomanelli, Chair
Phil Williams, Vice Chair
Bob Buster
Terry Henderson
Eugene Montanez
Jeff Stone
Nancy Wright

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

1.1 CALL TO ORDER AND SALUTE TO THE FLAG.

The meeting was called to order by Chair Tomanelli at 9:30 a.m.

1.2 ROLL CALL.

1.3 SELECTION OF OFFICERS

Moved (Henderson) seconded (Wright) to appoint Commissioner Williams as Chair and Commissioner Wright as Vice-Chair of the LAFCO Commission.
6/0

1.4 COMMITTEE ASSIGNMENTS

a. Administrative Review Committee

Moved (Wright) seconded (Williams) to nominate Commissioner Tomanelli and Commissioner Montanez to the Administrative Review Committee in addition to the Chair.
6/0

b. Legislative Committee

Mr. Spiliotis stated that he would like to establish formal legislative policies that staff can use as guidelines to respond and take a position when there is not enough time to bring the matter to the Legislative Committee. Mr. Spiliotis stated that this committee was a two-member committee.
2. APPROVAL OF MINUTES OF SEPTEMBER 27, 2012.

Moved (Henderson) seconded (Williams) to approve the Minutes of September 27, 2012 Meeting.
6/0

3. CONSENT (NON-HARING ITEMS).

There were no consent items.

4. PUBLIC HEARINGS:

The Commission decided to take Item 11. at this time.

11. DESIGNATION OF DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCs) WITHIN THE COACHELLA VALLEY AND PALO VERDE VALLEY.

Mr. Spiliotis stated that the request to take this item first was because of another public hearing item on the agenda regarding the annexation to Rancho Mirage.

Mr. Spiliotis presented the report as outlined in the staff report. Mr. Spiliotis further stated that basically SB 244 stated that the Commission could not approve an annexation over 10 acres that was adjacent to a disadvantaged unincorporated community (DUC) unless an application to annex the DUC was also filed.

Mr. Spiliotis stated that SB 244 also required analysis of DUCs in sphere of influence reviews and municipal service reviews. He said that the first step in doing this was to identify the DUCs.

Ms. Craig gave a Google Earth presentation of the disadvantaged unincorporated communities of the various housing groups of the area.

Mr. Spiliotis further asked the Commission in his recommendation to confirm the recommended DUC boundaries for use in further analysis.

Commissioner Henderson said that the folks that had chosen to live in an area because they wanted that lifestyle were now going to receive a title whether they wanted it or not just because someone needed to annex an area adjacent to them. Mr. Spiliotis stated that further analysis will be done when staff starts working on the MSRs regarding the level of services within a particular area.

Commission Henderson stated that one thing that concerned her most before approving this item was going to be the flexibility that LAFCO would have before naming an area a DUC. She would like to have the flexibility to revisit a particular area and verify that indeed that area was still a DUC. Mr. Spiliotis stated that the restriction on the Commission was that the
Commission could not approve an annexation that was adjacent to a DUC unless an application was filed to annex the DUC.

Mr. Spiliotis stated that one advantage of identifying the DUCs now was that the cities will know in advance the potential issues at hand before submitting an application to LAFCO.

Commissioner Montanez asked if any area that did not have the income qualifications would not automatically qualify as a DUC. Mr. Spiliotis responded in the affirmative.

Mr. Spiliotis stated that there were three DUCs that had been identified within the City of Cathedral City’s sphere of influence. He also stated that there were no DUCs within the City of Rancho Mirage’s sphere of influence. Mr. Spiliotis showed the Commission the three DUCs within the sphere of influence of City of Cathedral City which were the closest to the City of Rancho Mirage.

Moved (Williams) seconded (Wright) to designate the three DUC areas as presented by staff within the City of Cathedral City sphere of influence.

6/0

Commissioner Henderson would like the flexibility to call back this item if necessary for modifications. Mr. Spiliotis stated that this was by no means the final determination.

Commission Stone arrived at 10:08 a.m.

The Commission continued on with the public hearing items under Item No. 4.

NEW:

a. LAFCO 2012-12-4-Reorganization to Include Annexation to the City of Rancho Mirage (I-10-Commercial) and the Rancho Mirage Community Services District and Concurrent Detachment from the Riverside County Waste Resources Management District.

Ms. Romo presented the proposal as outlined in the staff report. She further stated that staff was recommending approval of the application with the condition that the City of Rancho Mirage and the County of Riverside enter into an agreement for road maintenance.

Chair Tomanelli opened the public hearing.

Randy Bynder, City Manager, 69825 Highway 111, Rancho Mirage, CA 92270. Mr. Bynder stated that the annexation before the Commission was a very important annexation to the City of Rancho Mirage for it was a gateway to the City. He further stated that the City of Rancho Mirage strongly supported staff’s recommendation and requested that the Commission waive the prohibition against creating an island because in this case, the area was a section of the Agua Caliente Cahuilla Indians. He told the Commission that in their folders was a letter from the Tribe taking no position on this proposal. He said that the City of Rancho Mirage had a good relationship
with the Tribe. He said that the City of Rancho Mirage was prepared to provide municipal services to the annexation area and asked the Commission to approve the annexation.

Commissioner Stone asked Mr. Bynder if the City was in agreement with staff’s recommendation to enter into an agreement with the County of Riverside for road maintenance. Mr. Bynder responded that the City of Rancho Mirage was in complete agreement with this condition.

Craig Yamasaki, Representing the Chang Family Trust, 303 Harbor Woods Place, Newport Beach, CA 92660. Mr. Yamasaki expressed his support for the annexation proposal.

Moved (Stone) seconded (Williams) to approve LAFCO 2012-12-4-Reorganization to Include Annexation to the City of Rancho Mirage (I-10-Commercial) and the Rancho Mirage Community Services District and Concurrent Detachment from the Riverside County Waste Resources Management District as recommended by staff.

7/0

b. Amendments to the Commission’s Conflict of Interest Code.

Mr. Spiliotis presented the report and stated that at the last meeting the Commission had made the determination that revisions were necessary. He said that staff had worked with County Counsel on making those changes. He also stated that the changes were attached to the staff report. He further stated that the disclosure categories had been expanded. Mr. Spiliotis said that the Commission’s staff had been using a broader approach regarding the disclosures on Appendix A of the Code than what the current code required. He said that the disclosure categories applied to the Executive Officer, Senior Local Government Analyst and any consultants that LAFCO might use.

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

Moved (Montanez) seconded (Stone) to approve staff’s recommendation to amend to the Commission’s Conflict of Interest Code.

7/0

5. PUBLIC COMMENTS.

There were no public comments.

6. RECEIVE AND FILE:

a. Information Items: Proposals Received (Government Code Section 56857, 56751):

i. LAFCO 2012-15-2-Reorganization to Include Annexation 110 to the City of Corona and Concurrent Detachment from the Riverside County Waste Resources Management District.

ii. LAFCO 2012-16-3-Annexation 119 to County Service Area 103.
b. LAFCO Monthly Expenditure Review.

Moved (Henderson) seconded (Stone) to receive and file Items 6.a. Information Items and 6.b. LAFCO Monthly Expenditure Review.
5/2 (Buster and Stone abstained)

7. CHERRY VALLEY UNINCORPORATED COMMUNITY – FIVE-YEAR REPORT.

Mr. Spiliotis presented the report as outlined in the staff report. He further stated that the Community of Cherry Valley had submitted its Five-Year Report and staff had received a letter from a property owner of the southwestern corner of the UC Designation area. He said that the property owner had requested a public hearing on this matter. Mr. Spiliotis stated that the Commission must schedule this item for a public hearing. He said that the owners wished to be excluded from the boundaries from the unincorporated community.

Chair Tomanelli opened the public hearing.

Kathi Berman, 37251 Cherry Valley Blvd., Beaumont, CA 92223. Ms. Berman stated that they were moving forward with their attempt to develop the Sunny Cal Egg property and were currently working with the City of Beaumont on this regard. Ms. Berman asked the Commission for their approval on her request.

Moved (Henderson) seconded (Williams) to set this matter at the next LAFCO Meeting, January 24, 2013 on the public hearing agenda.
7/0

8. ADOPTION OF THE ANNUAL INVESTMENT POLICY.

Mr. Spiliotis stated that the Commission deposited all of its funds with the County Treasurer-Tax Collector and by default was subject to the County’s Investment Policy as part of the pooled investments. Therefore, he was asking the Commission to adopt the Riverside Treasurer-Tax Collector Statement of Investment Policy as LAFCO’s Investment Policy.

Moved (Henderson) seconded (Stone) to adopt the Riverside County Treasurer-Tax Collector Investment Policy as LAFCO’s investment policy recommended by staff.
7/0


Ms. Romo gave a brief overview of LAFCO’s second cycle of sphere of influence reviews as outlined in the staff report. She further stated that for various reasons, mainly due to very little activity in the agencies’ growth, a comprehensive sphere of influence review was not needed at this time for those agencies. She further stated that staff was recommending to confirm the existing spheres of influence for the agencies shown on the chart which was included in the Commission’s staff reports and determine there were no comprehensive SOI reviews necessary for those agencies.
Commissioner Williams asked if in the future a city needed to file for a change can they do so. Mr. Spiliotis responded that this option is always available.

Moved (Wright) seconded (Henderson) to Confirm the Spheres of Influence for Cycle Ending December 31, 2012 as recommended by staff. 7/0

10. LAFCO AUDIT FOR FISCAL YEAR 2011-12: STATUS AND GENERAL INFORMATION.

Mr. Spiliotis stated that this was just an information item. He further stated that the audit firm, White Nelson Diehl Evans LLP (WNDE) had performed their field work on November 5th and 6th. Mr. Spiliotis stated that staff was anticipating having a final report for presentation to the Administrative Review Committee and full Commission on January 24, 2013.

Mr. Spiliotis stated that no action was necessary at this time.

The Commission revisited Item 11.

11. DESIGNATION OF DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCs) WITHIN THE COACHELLA VALLEY AND PALO VERDE VALLEY.

Mr. Spiliotis asked the Commission if they wanted to continue with the Google Earth presentation of the DUCs and the Commission commented that they had enough information to move forward.

Moved (Williams) seconded (Wright) to confirm the Disadvantaged Unincorporated Communities (DUCs) within the Coachella Valley and Palo Verde as presented by staff.

12. REPORT ON PROTEST PROCEEDINGS (Oral Report).

a. ELECTION RESULTS: LAFCO 2009-01-4-Reorganization to Include Annexation 78 (Country Lake/San Jacinto Ave.) to the City of San Jacinto and Concurrent Detachments from the Riverside County Waste Resources Management District (Parcels A & B) and Detachment from the City of San Jacinto (Parcel C only).

Mr. Spiliotis stated that this proposal went to election on November 6, 2012 and the annexation was turned down by 73% of the voters; consequently, the reorganization failed.

   c. LAFCO 2007-31-4-Reorganization to Include Annexation 86 to the City of Indio (Citrus Ranch) and Concurrent Detachment from the Riverside County Waste Resources Management District.

Mr. Spiliotis stated that the Commission had approved this reorganization in July, 2012 and staff had now received the requested information; therefore, a protest hearing was scheduled for December 20, 2012.

Mr. Spiliotis stated that no action was required from the Commission at this time.
13. 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:

   Riverside County Superior Court Case Number: INC 1205090

There was no executive session.

14. MISCELLANEOUS REPORTS.

Mr. Spiliotis commented to the Commission that the Disincorporation Workshop the Commission had requested will be done at the January 24, 2013 LAFCO Meeting. Mr. Spiliotis also stated that the budget status report, the audit report and the DUCs for the Western portion of Riverside County will be also presented at the January hearing. He further stated that the Cherry Valley Unincorporated Community will be set for hearing and heard in January as well.

Mr. Spiliotis thanked Commissioner Buster for his tenure on the LAFCO Commission. Mr. Spiliotis stated that Commissioner Buster had been a LAFCO Commissioner for 19 years. He said he was the second longest standing Commissioner that had served on the LAFCO Commission. Mr. Spiliotis stated that the other Commissioner had been Supervisor Younglove.

Commissioner Buster thanked staff and the Commission as well.

15. COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS.

There were no Commissioner comments.

16. ADJOURNMENT.

The meeting was adjourned to January 24, 2013 at 10:55 a.m.

Respectfully submitted,

George J. Spiliotis
Executive Officer