

**2.**  
**5/25/2017**

**MINUTES**  
**April 27, 2017**

Present: Phil Williams, Chair  
Stephen Tomanelli, Vice Chair  
Nancy Wright  
Kevin Jeffries  
Yvonne Parks

Absent: Eugene Montanez  
Chuck Washington

Present Staff: George J. Spiliotis, Executive Officer  
Adriana Romo, Local Government Analyst  
Crystal Craig, Local Government Analyst  
Elizabeth Valdez, Commission Clerk  
Tiffany North, Legal Counsel

**1.1 CALL TO ORDER AND SALUTE TO THE FLAG.**

The meeting was called to order by Chair Williams at 9:34 a.m.

**1.2. ROLL CALL**

**2. APPROVAL OF MINUTES OF MARCH 23, 2017.**

Moved (Jeffries) seconded (Tomanelli) to approve the minutes of March 23, 2017.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.  
NOES: None.  
ABSENT: Montanez, Washington.  
ABSTAINED: None.

**3. CONSENT (NON-HEARING ITEMS):**

There were no consent items.

Chair Williams announced that due to another agency using the boardroom after LAFCO, that if the meeting were to go past 12:15 p.m. the meeting will be adjourned to a conference room down the hall.

Counsel North read a statement regarding campaign contributions made to the Commission.

**4. PUBLIC HEARINGS:****Continued:**

There were no continued items.

**New:**

- a. LAFCO 2015-11-3-Reorganization to Include Concurrent Annexations to Eastern Municipal Water District and the Metropolitan Water District of Southern California (105th Fringe/Rehab. Hospital) and pursuant to the California Environmental Quality Act, the Commission, as responsible agency, will review and consider the Mitigated Negative Declaration prepared by the City of Murrieta, as lead agency and adoption of a resolution making determinations on the proposal.

Ms. Romo presented this item as outlined in the staff report.

Chair Williams opened the public hearing and there being no one wishing to speak he closed the public hearing.

Moved (Tomanelli) seconded (Jeffries) to approve LAFCO 2015-11-3-Reorganization to Include Concurrent Annexations to Eastern Municipal Water District and the Metropolitan Water District of Southern California (105th Fringe/Rehab. Hospital) as recommended by staff.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Montanez, Washington.

ABSTAINED: None.

- b. LAFCO 2016-03-5-Detachment from Valley-Wide Recreation and Park District (City of Menifee) and the Commission, as responsible agency, will review and consider a finding of exemption from the California Environmental Quality Act and adoption of a resolution making determinations on the proposal.

Counsel North made a statement to the Commission that all previous testimony and Commission discussion at the January 26, 2017 meeting must be disregarded and not be considered at this meeting. She said the Commission must only consider what is presented today and what was given to them in their agenda packet.

Mr. Spiliotis presented this item. He gave an overview of the services provided by each agency. He stated that when the sphere of influence was reviewed by the Commission, the action included that the District work with the City on an orderly transition of services. He stated that joint planning effort never occurred. Mr. Spiliotis spoke about the landscape maintenance districts (LMDs). He also spoke about the transfer of assessments between the two agencies.

David Taussig, David Tausig Associates. Mr. Taussig presented the findings of the Fiscal Analysis.

The Commission asked Mr. Taussig questions regarding the fiscal impact to the agencies.

Mr. Spiliotis stated that both agencies were providing quality services to their constituents. He said that detachment would allow the City to expand its services citywide. He said that with sales tax and the restoration of the VLF revenue to the general fund, the City would be able to take on the additional obligations. Mr. Spiliotis spoke about the transfer of assessments and that new Proposition 218 proceedings would be required for the remainder of the two LMDs. He reviewed the terms and conditions and options for approval the Commission could include in Resolution 04-17 approving the detachment.

Chair Williams asked what would happen if the Proposition 218 vote failed. Mr. Spiliotis replied that it had to pass or the detachment would not happen.

Commissioner Wright stated that a discussion between the agencies regarding a JPA would be beneficial.

Chair Williams opened the public hearing.

**IN FAVOR:**

Robert Lennox, Menifee Community Services Director, 2995 Evans Rd., Menifee, CA 92586. Mr. Lennox spoke about the costs of services, including maintenance and the assessment revenues to the City.

Shane Spicer, Spicer Consulting, 2995 Evans Rd., Menifee, CA 92586. Mr. Spicer spoke about the fiscal impact. He stated the City can support the parks with less money than VWRPD.

Bill Marticorena, City Attorney, Rutan & Tucker, 2995 Evans Rd., Menifee, CA 92586. Mr. Marticorena concluded the City's presentation. He stated the City Council has decided that any shortfall would be made up with money from the general fund. He stated that as long as assessments were not increased then a Proposition 218 election was not needed.

Greg August, 28721 Thornhill Dr., Menifee, CA 92586. Mr. August read a statement that he was in support of the detachment. He also stated he had concerns about assessments and that keeping the parks in Menifee should not be contingent on a Proposition 218 vote.

Gloria Sanchez, 29258 Paradise Canyon Dr., Menifee, CA 92584. Ms. Sanchez stated she didn't think that VWRPD had enough services for seniors and she stated she had tried to have a dog park put in.

Lesia Sobek, Council Member, District 3, City of Menifee, 30186 Via Palermo, Menifee, CA 92584. Ms. Sobek stated she is was in favor of the detachment and was against putting conditions on the approval. She said she wanted the City to have local control.

Commissioner Jeffries asked for clarification about why the City is not taking in the Ashley Center, Eller Park and the gym. Ms. Sobek stated it was an issue between the County and the agreements they have with VWRPD for the Ashely Center and Eller Park.

Mr. Spiliotis stated that it is unclear as to who owns the gym.

Rick Croy, Menifee Parks Commission, 32065 Heather Lane, Menifee, CA 92584. Mr. Croy stated that it is time to have all the parks within the City to avoid confusion for the residents.

James Sobek, 30186 Via Palermo, Menifee, CA 92584. Mr. Sobek stated that it is difficult to have to figure out which agency to talk to when there is an issue.

Earl Phillips, Vice-Chair, Menifee Planning Commission, 29041 Hogan Dr., Menifee, CA 92586. Mr. Phillips stated that he is in support of the Detachment and the City had met the criteria needed to take over the parks.

#### **IN OPPOSITION:**

Dean Wetter, District Manager, Valley-Wide Recreation and Park District, 901 W. Esplanade Ave, San Jacinto, CA 92582. Mr. Wetter spoke about the services provided by the District. He spoke about the VWRPD's finances and losses to the District if the detachment is approved.

Paula de Sousa Mills, VWRPD Attorney, Best Best & Krieger. Ms. Mills concluded the District's presentation. She stated that the District tried to work with the City. She said the City's application is flawed and doesn't meet the Commissions requirements for approval. Ms. Mills stated the City does not have the funding necessary to support the parks. She stated that a Proposition 218 election should be done. She asked on behalf of the District that the Commission apply certain terms and conditions.

Commissioner Tomanelli asked if VWRPD rents its facilities for events and what was the annual revenue. Mr. Wetter stated yes, when the fields are available they are able to rent them out. He said that he did not have details but thought that it was approximately \$25,000 in revenue district-wide.

Matthew Duarte, President, VWRPD Board of Directors, 27331 Stonehurst Dr., Menifee, CA 92585. Mr. Duarte spoke against the detachment. He stated that the residents love the District. He stated that the City's general fund should not have to be used. He expressed concern about what will happen with the Ashely Center, Eller Park and the gym.

Mike Hudzinski, President, Winchester Homeland Town Association, 30250 12<sup>th</sup> St., Nuevo, CA 92567. Mr. Hudzinski read a letter in opposition of the detachment.

**NEUTRAL:**

Linda Krupa, Mayor, City of Hemet. Ms. Krupa spoke about the long standing favorable relationship with VWRPD. She said the City of Hemet has contracts with the District with no concerns.

**REBUTTAL:**

Robert Lennox, Menifee Community Services Director, 2995 Evans Rd., Menifee, CA 92586. Mr. Lennox clarified the irrigation schedule. He stated that the City had attempted to meet with VWRPD. He also stated that the City is open to taking over the Ashley Center, Eller Park and the gym. He spoke about potential revenue and savings to the City.

Bill Marticorena, City Attorney, Rutan & Tucker, 2995 Evans Rd., Menifee, CA 92586. Mr. Marticorena spoke about the transfer or creation of new assessments. He stated that the City does not believe there needs to be a Proposition 218 election.

Chair Williams closed the public hearing.

Commissioner Jeffries asked for clarification regarding VWRPD providing services outside their boundaries to the Ashley Center and Eller Park, and the gym. Mr. Spiliotis responded that previous agreements would remain in place.

Commissioner Jeffries asked if the City's source of the funding for the parks mattered.

Dale Gardner, Deputy County Counsel. Mr. Gardner stated that staff's position is that there needs to be a valid funding mechanism. He said that if they don't do a Proposition 218 hearing then it would be invalid.

The Commission, staff and counsel discussed the Proposition 218 election process and the options of forming a JPA as conditions of approval.

The Commission and staff discussed the City's funding sources.

Commissioner Jeffries motioned to close the public hearing and continue this item for one month to allow staff to draft the language for the final recommendation. Commissioner Wright seconded the motion.

Mr. Spiliotis asked for clarification regarding the motion.

Counsel North stated that Commission is asking for a definitive funding source from the City. Commission Jeffries stated that staff will also

provide resolution to the County and School District facilities and that a third party needs to be identified to verify the division of the reserves.

Moved (Jeffries) seconded (Tomanelli) to close the public hearing and continue LAFCO 2016-03-5- Detachment from Valley-Wide Recreation and Park District (City of Menifee) to May 25, 2017.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Montanez, Washington.

ABSTAINED: None.

The Commission recessed at 12:05 p.m. to move the meeting to Conference Room 2A down the hall.

The Commission reconvened at 12:15 p.m.

The Commission decided to take Item 16. at this time.

**16. DETERMINATION OF SUBSTANTIAL COMPLIANCE WITH A TERM AND CONDITION - LAFCO 2016-11-4-REORGANIZATION TO INCLUDE ANNEXATION TO THE CITY OF RANCHO MIRAGE AND CONCURRENT ANNEXATION TO THE RANCHO MIRAGE COMMUNITY SERVICES DISTRICT (SUBSIDIARY) AND DETACHMENT FROM THE RIVERSIDE COUNTY WASTE RESOURCES MANAGEMENT DISTRICT (SECTION 24 SPECIFIC PLAN - PA8).**

Mr. Spiliotis gave a brief outline of the condition the Commission had previously approved. He stated that the City and the County met and decided that the amount of maintenance to be performed on Bob Hope Drive was minimal and therefore neither necessary nor practical to include in the maintenance agreement.

Moved (Wright) seconded (Jeffries) to determine the contemplated road maintenance agreement that would eliminate the provisions for Bob Hope Drive would be in substantial compliance with the condition established by the Commission, as recommended by staff.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Montanez, Washington.

ABSTAINED: None.

**13. LAFCO 2017-07-2-DETERMINATION OF EXEMPTION FROM THE PROVISIONS OF GOVERNMENT CODE SECTION 56133-EXTRATERRITORIAL SERVICE EXTENSION (CALVARY OF THE BROOK CHURCH).**

Mr. Spiliotis gave an overview of Government Code Sec. 56133 and why this proposal falls under that exemption. He said that applicant is seeking service from the Cities of Colton and Grand Terrace for water and wastewater services. He said although the existing service providers are the City of

Riverside and Riverside County, the property is not close enough to connect to those lines.

Moved (Parks) seconded (Jeffries) to determine the temporary provision of wastewater collection and treatment services by the Cities of Colton and Grand Terrace to the Calvary of the Brook Church is exempt from the requirement for Commission approval required by Section 56133(a) pursuant to Government Code Section 56133 (e), since it is a substitution for a service already provided by a public service provider at a level consistent with the level of service contemplated by the current provider, as recommended by staff.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Montanez, Washington.

ABSTAINED: None.

#### **4. Public Hearings**

##### **c. Proposed Budget for Fiscal Year 2017-18.**

Mr. Spiliotis presented the proposed budget to the Commission. He stated that the Administrative Review Committee previously approved the proposed budget. He stated that the one main increase was in the appropriation for Consultants, due to the need to complete another round of municipal service reviews, this time for all the special districts and cities.

Chair Williams opened the public hearing and there being no one wishing to speak he closed the public hearing.

Moved (Tomanelli) seconded (Wright) to approve the Proposed Budget for Fiscal Year 2017-18 as recommended by staff.

AYES: Williams, Jeffries, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Montane, Washington.

ABSTAINED: None.

#### **5. PUBLIC COMMENTS ON ANY ITEMS NOT ON THE AGENDA.**

There were no public comments.

#### **6. INFORMATION ITEMS: Proposals Received (Government Code Section 56857, 56751) - No action to be taken by Commission:**

There were no information items.

#### **7. RECEIVE AND FILE:**

##### **a. LAFCO Monthly Expenditure Review.**

Moved (Tomanelli) seconded (Parks) to receive and file the LAFCO Monthly Expenditure Review.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**8. REPORT ON CONDUCTING AUTHORITY PROCEEDINGS.**

- a. LAFCO 2016-11-4- Reorganization to Include Annexation to the City of Rancho Mirage and Concurrent Annexation to the Rancho Mirage Community Services District (Subsidiary) and Detachment from the Riverside County Waste Resources Management District (Section 24 Specific Plan - PA8).

There was no discussion by the Commission on this item.

**9. LAFCO 2016-10-2-REQUEST FOR EXTRATERRITORIAL SERVICE PROVISION - CITY OF COLTON AND CITY OF GRAND TERRACE (CALIFORNIA CITRUS COOPERATIVE) (Continued from March 23, 2017; Staff recommends continuance to May 25, 2017).**

Ms. Romo presented this item. She stated that there was still outstanding information required by the applicant in order to proceed at this time.

Moved (Tomanelli) seconded (Wright) to continue LAFCO 2016-10-2-Request for Extraterritorial Service Provision- City of Colton and City of Grand Terrace (California Citrus Cooperative) to May 25, 2017.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**10. INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEAR 2015-16.**

Mr. Spiliotis stated that the net position worsened due to increases in the net pension liability. These were system-wide increases.

Moved (Tomanelli) seconded (Parks) to receive and file the Independent Auditor's Report for Fiscal Year 2015-16.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**11. FISCAL YEAR 2016-17 APPROPRIATIONS TRANSFER FOR REFUNDS.**



Mr. Spiliotis stated that the refund had already been approved by the Commission and this was simply a cleanup to the budget.

Moved (Parks) seconded (Wright) to approve the Fiscal Year 2016-17 Appropriations Transfer for Refunds as recommended by staff.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**12. FISCAL YEAR 2016-17 BUDGET AMENDMENTS-APPROPRIATION INCREASES AND ADDITION TO FEE REVENUE.**

Mr. Spiliotis stated that the Detachment from Valley-Wide Recreation and Park District proposal has required both additional costs for Commission Counsel and the consultant David Taussig & Associates, therefore, increases to these accounts were necessary.

Moved (Wright) seconded (Parks) to approve the Fiscal Year 2016-17 Budget Amendments - Appropriation Increases and Addition to Fee Revenue, as recommended by staff.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**14. WAIVER OF THE PROVISIONS OF THE MEMORANDUM OF UNDERSTANDING (MOU) FOR TRANSFER OF JURISDICTION FOR SPHERE OF INFLUENCE CHANGES BETWEEN ORANGE LAFCO AND RIVERSIDE LAFCO (THE PRESERVE AT SAN JUAN).**

Ms. Romo stated that there is a proposed development in Orange County that would require a sphere of influence amendment and would also need to annex to agencies within Riverside County. She stated that this waiver would allow both the sphere of influence amendment and the annexation to be processed by Riverside LAFCO as requested by the applicant. Ms. Romo stated that Orange County LAFCO is in agreement with this one time waiver.

Moved (Tomanelli) seconded (Wright) to approve the Waiver of the Provisions of the Memorandum of Understanding (MOU) for the Transfer of Jurisdiction for Sphere of Influence Changes between Orange LAFCO and Riverside LAFCO (The Preserve at San Juan), as recommended by staff.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

**15. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.**

Mr. Spiliotis gave a brief overview of current legislation. He asked that the Commission take a support position for AB 1725, AB 464, AB 979 and AB 1728. He stated that CALAFCO is still working with the author of AB 448 and no position is recommended at this time. He also stated that amendments to AB 982 were forthcoming and staff will continue to watch this bill.

Moved (Tomanelli) seconded (Williams) to send letters of support for AB 1725, AB 464, AB 979 and AB 1728 as recommended by staff.

AYES: Williams, Parks, Tomanelli, Wright.

NOES: None.

ABSENT: Jeffries, Montanez, Washington.

ABSTAINED: None.

#### **17. EXECUTIVE OFFICER REPORTS.**

Mr. Spiliotis mentioned that staff was working on identifying County islands for an upcoming presentation to the Commission.

#### **18. COMMISSIONER COMMENTS/FUTURE ITEMS.**

There were no commissioner comments.

#### **19. ADJOURNMENT.**

Chair Williams adjourned the meeting to May 25, 2017 at 12:54 p.m.

Respectfully submitted,

George J. Spiliotis  
Executive Officer