

2.
5/28/2015

MINUTES
April 23, 2015

Present: Nancy Wright, **Chair**
Douglas Hanson, **Vice Chair**
Kevin Jeffries
Eugene Montanez
Stephen Tomanelli
Chuck Washington
Phil Williams

Present Staff: George J. Spiliotis, Executive Officer
Crystal Craig, Local Government Analyst
Adriana Romo, Local Government Analyst
Elena Medina, Executive Assistant
Tiffany North, Legal Counsel

1.1 CALL TO ORDER AND SALUTE TO THE FLAG.

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

1.2 ROLL CALL.

2. APPROVAL OF MINUTES OF FEBRUARY 26, 2015.

Moved (Tomanelli) seconded (Montanez) to approve the minutes of the February 26, 2015 meeting.

AYES: Wright, Hanson, Jeffries, Montanez and Tomanelli.

NOES: None.

ABSENT: Washington

ABSTAINED: Williams

3. CONSENT (NON-HEARING ITEMS).

There were no consent items.

4. PUBLIC HEARINGS:

CONTINUED:

- a. LAFCO 2014-22-2-Annexation to Rubidoux Community Services District (Limonite) 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. **(Continued from February 26, 2015)**

Ms. Romo presented the proposal as outlined in the staff report. In addition, Ms. Romo stated that staff was recommending approval with a small correction on 5.b. to state "All" owners of land have given their written consent to the proposal as opposed to "The" owners of land have given their written consent to the proposal.

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

Moved (Montanez) seconded (Williams) to approve LAFCO 2014-22-2-Annexation to Rubidoux Community Services District (Limonite) as recommended by staff with a correction on 5.b. of the staff report to read "All" owners of land have given their written consent to the proposal as oppose to "The".

AYES: Wright, Hanson, Jeffries, Montanez, Tomanelli and Williams.

NOES: None.

ABSENT: Washington

ABSTAINED: None.

Commissioner Washington arrived at 9:36 a.m.

NEW:

- b. LAFCO 2014-13-3&5-Reorganization to Include Annexations to Murrieta Valley Cemetery District and Temecula Public Cemetery District and Detachments from Perris Valley Cemetery District, Murrieta Valley Cemetery District, Temecula Public Cemetery District and Wildomar Cemetery District (Subsidiary) and 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.

Ms. Craig presented the proposal as outlined in the staff report.

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

Moved (William) seconded (Jeffries) to approve LAFCO 2014-13-3&5-Reorganization to Include Annexations to Murrieta Valley Cemetery District and Temecula Public Cemetery District and Detachments from Perris Valley Cemetery District, Murrieta Valley Cemetery District, Temecula Public Cemetery District and Wildomar Cemetery District (Subsidiary) as recommended by staff.

AYES: Wright, Hanson, Jeffries, Montanez, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- c. LAFCO 2014-27-4-Reorganization to Include Annexation 63 to the City of Coachella (La Entrada) and Concurrent Annexations to the Coachella Fire Protection District (Subsidiary) and the Coachella Sanitary District (Subsidiary) and Detachment from the Riverside County Waste Resources Management District pursuant to the California Environmental Quality Act, the Commission, as Responsible Agency, will also review and consider the Environmental Impact Report prepared by the City of Coachella, as Lead Agency, and adoption of a resolution making determinations on the proposal.

Ms. Romo presented the proposal as outlined in the staff report.

Commissioner Montanez asked if there were any roads leading to the area being annexed. Ms. Romo responded that there were no existing roads at this time. Commissioner Montanez stated that it was odd to be annexing this area which was the furthest point from the city which currently had no road access to the area. Commissioner Montanez commented that it seemed premature to be annexing this area when there was no road construction at this time. Ms. Romo commented that there was access to the annexation area from Avenue 48 and Avenue 50. She further stated that the applicant will further address this concern.

Mr. Spiliotis commented that there was also a freeway interchange that would be associated with the annexation and the applicant will discuss this further.

Commissioner Hanson asked what was driving the desire to annex this area. Mr. Spiliotis stated that it was associated with the La Entrada Specific Plan and it is the desire of the owner to extend the boundaries to accommodate the proposed development.

Commissioner Hanson expressed concern regarding the provision of water for the new development. He said he did not think there was sufficient water to provide for the new development.

Mr. Spiliotis stated that the City had prepared a water supply assessment that demonstrated that there will be sufficient water for the residents of the new development. Mr. Spiliotis stated that the applicant had additional information regarding the water supply needs.

Legal Counsel, Tiffany North, recommended to the Chair that the public hearing be opened so that the applicant had the opportunity to respond to the Commissions' concerns.

Chair Wright opened the public hearing.

Kelly Alhadeff-Black, 28765 Single Oak Drive, Suite 145, Temecula, CA 92590. Ms. Alhadeff-Black stated that she was representing PSAV and LLSE Holdings who were the two landowners and applicant to the La Entrada project. Ms. Alhadeff-Black gave a brief history about the project and addressed the concerns the Commission raised regarding development construction and water supply for the new development.

Luis Lopez, Development Services Director, City of Coachella, 1515 6th Street, Coachella, CA 92236. Mr. Lopez spoke in favor of the proposal and asked the Commission to approve this project for it represented many economic development opportunities for the City of Coachella.

Commissioner Washington inquired about water demand and supply.

Mr. Spiliotis stated that one of the factors that the Commission is required to consider was the timely availability of water supply. Mr. Spiliotis stated that staff relied on the analysis documents provided to staff for their recommendation, typically either the CEQA document or in this case, a water supply assessment that indicated that there would be enough water supply in normal, dry and multiple dry years.

Chair Wright closed the public hearing.

Commissioner Jeffries commented that from his perspective, the proposal made sense; therefore, he recommended approval of staff's recommendation.

Moved (Jeffries) seconded (Williams) to approve LAFCO 2014-27-4-Reorganization to Include Annexation 63 to the City of Coachella (La Entrada) and Concurrent Annexations to the Coachella Fire Protection District (subsidiary) and the Coachella Sanitary District (subsidiary) and Detachment from the Riverside County Waste Resources Management District as recommended by staff.

AYES: Wright, Hanson, Jeffries, Montanez, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: None.

ABSTAINED: None.

The Commission decided to take Item 7. at this time.

7. AMENDMENT TO COMMISSION'S RESERVE POLICY.

Mr. Spiliotis presented this item as outlined in the staff report. He further stated that the Administrative Review Committee recommended amending the Commission's current Reserve Policy to establish a minimum reserve of 25% rather than the current cap. He said that in order to achieve the 25% target, an annual appropriation for three years of approximately \$52,000 per year will be required. He stated that this proposed amount was included in the proposed budget that the Commission will hear next.

Moved (Washington) seconded (Jeffries) to approve the Amendment to the Commission's Reserve Policy as recommended by staff.

AYES: Wright, Hanson, Jeffries, Montanez, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: None.

ABSTAINED: None.

d. Proposed Budget for Fiscal Year 2015-16.

Mr. Spiliotis presented the proposed budget as outlined in the staff report. Mr. Spiliotis further stated that the Administrative Review Committee had continued to look responsibly at improving the Commissions' fiscal position. He said that one of the priorities this year was to build the general reserves to a more adequate level, specifically, the 25% target that would be achievable with an annual appropriation of \$52,000 a year for three years. He said that the proposed budget included the first installment of that reserve appropriation. He said that this was the most significant difference in this budget as compared to the current year project.

Commissioner Jeffries revisited the cost-savings measures that staff had taken in the past couple of years. He asked if staff was using the County's IT Department and Mr. Spiliotis responded that staff did not use the IT Department for maintenance but staff was still using the County to host its website.

Commissioner Williams asked if there was any reason staff was not using a range method instead of the specific 25%. Mr. Spiliotis responded that there was no specific reason. If this was something the Commission would like to discuss, it was open for discussion. Mr. Spiliotis stated that he referred to the 25% as a goal that staff will attempt to budget each year. He said that if the Commission wanted to establish a range, it could be 25% to 30%. Commissioner Williams was concerned with establishing a percentage and thereafter, becoming mandatory. After reading the revised recommendation of the staff report to Commissioner Williams, he said he was okay with it.

Commissioner Montanez reiterated that having the 25% reserve would be a good goal to achieve and the Commission may reduce it at a later time if necessary. He said having it as a goal would give room for flexibility each year.

Chair Wright stated that the Administrative Review Committee did not intend for the 25% to become a mandate.

Commissioner Hanson stated that the Administrative Review Committee will revisit this policy to see if it needs amending to accommodate this year's budget.

Commissioner Montanez left at 10:37 a.m.

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

Moved (Washington) seconded (Jeffries) to approve the Proposed Budget for Fiscal Year 2015-16 as recommended by staff.

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

5. PUBLIC COMMENTS.

There were no public comments.

6. RECEIVE AND FILE:

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

There were no Information Items.

- a. LAFCO Monthly Expenditure Review.

Moved (Williams) seconded (Hanson) to receive and file Item 6.b. LAFCO Monthly Expenditure Review.

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

8. DETERMINATION OF EXEMPTION FROM THE PROVISIONS OF GOVERNMENT CODE SECTION 56133 (EXTRA TERRITORIAL SERVICES)-LEE LAKE WATER DISTRICT AND ELSINORE VALLEY MUNICIPAL WATER DISTRICT.

Mr. Spiliotis presented this item as outlined in the staff report.

Commissioner Hanson asked Mr. Spiliotis if he would elaborate in layman's terms what this actually meant.

Mr. Spiliotis responded that the only way an agency can provide services outside its boundaries was if it first came to LAFCO. He stated that the statute provided certain types of service extensions that were not subject to LAFCO review; specifically, an agreement between two public agencies under certain circumstances like a substitution for a service that was already being provided. He stated that was basically what this item was about.

Moved (Jeffries) seconded (Tomanelli) to approve Item 8. Determination of Exemption from the Provisions of Government Code Section 56133 (Extra Territorial Services)-Lee Lake Water District and Elsinore Valley Municipal Water District as recommended by staff.

AYES: Wright, Hanson, Jeffries, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: Montanez.

ABSTAINED: None.

9. APPOINTMENT TO THE COALITION OF CALIFORNIA LAFCOS (CCL)/CALAFCO SOUTHERN REGION.

Mr. Spiliotis commented that the CCL Group provided educational resources to the southern region of LAFCOs and doubled as the southern regional caucus for CALAFCO. He said that the Southern Regional LAFCOs were responsible for the current regional representation model on the CALAFCO Board which was extremely important. He said that the Coalition of California LAFCOS Bylaws established the composition of the Board as one commissioner and alternate from each LAFCO. He said that in 2010 the Commission had appointed Commissioner Tomanelli as a regular voting member and the Executive Officer as the alternate. He said that earlier this month Commissioner Tomanelli stepped down from both the CALAFCO Executive Board and the CCL Board. He stated that the CALAFCO Board will go through their own process of appointing a new member to that body. However, he asked the Commission to appoint a replacement designee to the CCL Board. He stated that the meetings were approximately quarterly. He said that typically they meet in Orange County or at the Metropolitan Water District Headquarters in Los Angeles.

Moved (Jeffries) seconded (Tomanelli) to appoint Commissioner Douglas Hanson to the Coalition of California LAFCOS (CCL) Board.

AYES: Wright, Hanson, Jeffries, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: Montanez.

ABSTAINED: None.

10. LEGISLATIVE REPORT: UPDATE AND POSITIONS ON CURRENT LEGISLATION.

Mr. Spiliotis stated that it had been a very active year for LAFCO's legislation. Mr. Spiliotis discussed the following bills:

AB 851 ((Mayes)-Disincorporation Statutes: Mr. Spiliotis stated that this bill had to do with the rewrite of disincorporation statutes. He said that this was one of the most significant pieces of legislation that CALAFCO had sponsored in some time. He said that it passed the Assembly Local Government the day before. He said that staff's recommendation was for the Commission to take a support position recognizing that there may be some amendments in the future.

SB 25 (Roth) and AB 448 (Brown) - Property Tax in lieu of VLF: Mr. Spiliotis stated that these two bills would give back the property tax in lieu of Vehicle License Fee back to the new cities and AB 448 will restore funding to the cities that had lost that funding due to annexations of developed areas that occurred after 2004. He said that both passed their

respective policy committees and were sitting in the suspense file. He said that the Commission had already taken positions of support for similar measures last year. He said that no further action on the part of the Commission was necessary at this time.

AB 1532 - Assembly Local Government Omnibus Bill: Mr. Spiliotis stated that this bill was sponsored by CALAFCO. He said that the bill made very minor technical changes to the Act. He asked the Commission to take a support position on this bill.

SB 239 (Hertzberg) - Extension of Fire Protection Services: Mr. Spiliotis said that this bill had to do with Government Code Section 56133. It would require approval from affected unions before an application could be made to LAFCO. He said that this section discussed providing services outside of an agency's boundaries. He said this this bill would take the provision of fire services out of Section 56133. He stated that he was asking the Commission to take an oppose position on this bill.

Moved (Tomanelli) seconded (Williams) to take a support positon on AB 851 and AB 1532 as recommended by staff.

AYES: Wright, Hanson, Jeffries, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: Montanez.

ABSTAINED: None.

Moved (Tomanelli) seconded (Williams) to take an oppose position on SB 239 as recommended by staff.

A YES: Wright, Hanson, Tomanelli, Williams and Washington.

NOES: None.

ABSENT: Montanez.

ABSTAINED: Jeffries.

11. REPORT ON PROTEST PROCEEDINGS (Oral Report).

There were no protest proceedings pending.

12. MISCELLANEOUS REPORTS.

Mr. Spiliotis stated that Onsite Computing Inc. had successfully installed the new servers in the office.

13. COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS.

Commissioner Jeffries commented that regarding the cemetery districts item discussed earlier, it raised some boundary issues that will require further discussion down the road with other cemetery districts. He said that various cemetery district boundaries were overlapping into different cities. He said that there were six other areas that should be evaluated between the Perris Cemetery District, the Elsinore Cemetery District and

the Wildomar Cemetery District. He said he would like to start thinking about this as those discussions come forward to LAFCO.

Mr. Spiliotis responded that those were the kind of changes LAFCO was hoping to get. He stated that LAFCO could not initiate any cemetery district boundary change. He said they would have to come either from register voters, land owners or an affected agency which could be a cemetery district or a city or even the County. He said that when LAFCO conducted the sphere reviews and made the spheres coincide with the city boundaries and the city spheres this was exactly what staff intended. He said that Murrieta Cemetery District was the first one to take an action to implement what LAFCO had intended with the sphere review. Mr. Spiliotis stated that he would send something out to all the cemetery districts.

14. ADJOURNMENT.

The meeting was adjourned at 11:07 a.m. to May 28, 2015.

Respectfully submitted,

George J. Spiliotis
Executive Officer