



2.
2/25/2021

MINUTES
January 28, 2021

Present Commissioners

Via Teleconference: Steve Sanchez, Chair
Stephen Tomanelli, Vice Chair
Kevin Jeffries
Michael Vargas
Phil Williams
Nancy Wright

In-Person: Jeff Hewitt

Also in Attendance

Via Teleconference: Steve Pastor, Alternate

Present Staff:

Gary Thompson, Executive Officer
Joshua Altopp, Local Government Analyst III
Elizabeth Valdez, Commission Clerk

Via Teleconference: Crystal Craig, Assistant Executive Officer
Tiffany North, Legal Counsel

1. CALL TO ORDER AND SALUTE TO THE FLAG.

Chair Sanchez called the meeting to order at approximately 9:30 a.m.

1.2. ROLL CALL.

1.3. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

Counsel North made a statement to the public regarding disclosure of contributions made to Commissioners.

2. APPROVAL OF THE MINUTES OF THE DECEMBER 3, 2020 MEETING.

Moved (Vargas) seconded (Tomanelli) to approve the Minutes of the December 3, 2020 meeting.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: Hewitt.

3. PUBLIC COMMENTS ON ANY ITEMS NOT ON THE AGENDA.

Barbara Ankele, resident of Murrieta. Ms. Ankele commented on the Murrieta Focused MSR and thanked staff for their work on the report. She stated that she would like the next public meeting held at the new amphitheater in the City of Murrieta rather than a hybrid version of online and in person. She stated she feels this is the best way to keep the communication with the community open.

Kathryn Elliot, resident of Murrieta. Ms. Elliot thanked staff for their work on the Murrieta Focused MSR. She stated she has spoken with members of the community to submit comments on the report. She stated she would like the next public meeting be in-person as it is harder for many residents to attend online.

4. CONSENT CALENDAR (NON-HEARING ITEMS):**a. LAFCO Monthly Expenditure Review.**

Moved (Wright) seconded (Vargas) to approve the consent calendar as recommended by staff.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

5. PUBLIC HEARINGS:**Continued:**

There were no continued public hearing items.

New:

a. LAFCO 2020-26-4-Sphere of Influence Review and Confirmation for Desert Healthcare District (Coterminous) and a finding of exemption pursuant to the California Environmental Quality Act and adoption of a resolution making determinations on the proposal.

Mr. Altopp presented this item he stated that the MSR that was prepared recommended that the Desert HCD maintain a conterminous sphere of influence (SOI). He stated that the District has reviewed and agreed to the coterminous SOI.

Chair Sanchez opened the public hearing, there being no one wishing to speak he closed the public hearing.

Moved (Vargas) seconded (Hewitt) to approve LAFCO 2020-26-4-Sphere of Influence Review and Confirmation for Desert Healthcare District

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(Coterminous) as recommended by staff and adoption of a resolution making determinations on the proposal.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- b. LAFCO 2020-27-4-Sphere of Influence Review and Amendment to Palo Verde Healthcare District (Addition) and a finding of exemption pursuant to the California Environmental Quality Act and adoption of a resolution making determinations on the proposal.

Mr. Altopp presented this item. He stated that the MSR that was prepared recommended amending the sphere of influence for the District to include the unincorporated area, closing the gap between the Palo Verde HCD and Desert HCD.

Chair Sanchez opened the public hearing, there being no one wishing to speak he closed the public.

Moved (Williams) seconded (Vargas) to approve LAFCO 2020-27-4-Sphere of Influence Review and Amendment to Palo Verde Healthcare District (Addition) as recommended by staff and adoption of a resolution making determinations on the proposal.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- c. LAFCO 2020-28-3&5-Sphere of Influence Review and Amendment to San Gorgonio Memorial Healthcare District (Addition) and a finding of exemption pursuant to the California Environmental Quality Act and adoption of a resolution making determinations on the proposal.

Mr. Altopp presented this item. He stated that the MSR that was prepared for the District recommended the sphere of influence be amended to include the entire Cities of Calimesa and Beaumont and their respective spheres of influence.

Chair Sanchez opened the public hearing, there being no one wishing to speak he closed the public.

Moved (Hewitt) seconded (Wright) to approve LAFCO 2020-28-3&5-Sphere of Influence Review and Amendment to San Gorgonio Memorial Healthcare District (Addition) as recommended by staff and adoption

of a resolution making determinations on the proposal.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

6. OTHER BUSINESS:

a. Independent Auditor's Report for Fiscal Year 2019-20.

Mr. Thompson stated that the audit ended in a positive net position. He stated this was mostly due to a large carryover from last fiscal year and funds held in reserves. He stated that the long term liability for pensions will be addressed in the budget for fiscal year 2021-22. Mr. Thompson introduced Jennifer Farr.

Jennifer Farr, Davis Farr, LLP. Ms. Farr stated that they issued an unmodified audit opinion which is the highest level. She stated there were no material misstatements and that revenue was more than expenditures and expenditures were less than what was approved in the budget. Ms. Farr stated that LAFCO's net pension liability was 72 percent funded as of June 30, 2019. She stated that she was not recommending any new accounting standards or internal controls and thanked staff for their assistance.

Commissioner Hewitt stated he would like to see any budget surplus put towards any long term liability. Mr. Thompson stated this will be addressed in the budget for next fiscal year.

Moved (Wright) seconded (Williams) to receive and file the Independent Auditor's Report for Fiscal Year 2019-20.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

b. LAFCO Policy Review.

Mr. Thompson reviewed Policies A-1, A-3, A-4, A-6, A-8, and A-10. He stated the Policy A-3 Purchasing Policy removed the Capital Assets Management portion and created Policy A-10. He stated that he proposed a change in the meal allowance for same day travel for Policy A-4. He stated that Policy A-8 Telecommuting Policy was in line with the County's policy however, that policy was just revised on January 26th and would be reviewed by staff to see if those changes need to be incorporated in

the future. Mr. Thompson stated these policies would be included in the Policy Manual that will be brought back in its entirety when complete.

Commissioner Wright stated that the increase for meals and reimbursement for meals for one day travel will be helpful.

Moved (Vargas) seconded (Tomanelli) to approve Policies A-1 Rules and Regulations of LAFCO, A-3 Purchasing Policy as amended, A-4 Travel and Per Diem Reimbursement Policy as amended, A-6 Leave Buy Down Policy, A-8 Telecommuting Policy, and A-10 Capital Assets Management and Reserve Policy as recommended by staff.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

c. Professional Service Agreement Second Amendment for the Murrieta Focused Municipal Service Review with West Yost Associates.

Mr. Thompson presented this item. He stated that the final report was now complete, posted, and the public comment period is open. He stated that the initial intention was to have an in person public meeting however, due to Covid-19 that may not be possible any time soon. He stated the City of Murrieta will be able to hold a hybrid type meeting at City Hall. He also stated that the meeting in the amphitheater may be more difficult and could be delayed due to construction.

Mr. Thompson stated that the contract with West Yost expired in December and this proposed amendment would extend it to June 30, 2021. He stated that the project manager and lead consultant recently left West Yost. He stated that if West Yost can come to an agreement with them as subcontractors to finish the project then LAFCO would move forward with signing the PSA. Mr. Thompson stated that if that did not happen the amendment would be void. He stated that he would then try to contract directly with the subcontractors or, if needed, the project would be completed by LAFCO staff.

There was discussion between Mr. Thompson and the Commission. The consensus being the Commission agreed that staff could complete the project if needed. They also stated that to get the most public input a hybrid version of the meeting would be best due to Covid-19 restrictions. Mr. Thompson stated that the community would be notified by mail for the meeting as was done before.

Moved (Hewitt) seconded (Tomanelli) to approve the Professional Service Agreement Second Amendment for the Murrieta Focused Municipal Service Review with West Yost Associates contingent securing the subcontractors and the details for holding the next public meeting.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

d. Selection of Officers for 2021.

Mr. Thompson stated that the officers are selected each year and would take seat at the next meeting in February.

Commissioner Vargas was nominated by Commissioner Tomanelli for Chair.

Moved (Tomanelli) seconded (Williams) to appoint Commissioner Vargas as Chair.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

Commissioner Tomanelli was nominated by Commissioner Williams for Vice Chair.

Moved (Williams) seconded (Wright) to appoint Commissioner Tomanelli as Vice Chair.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt,
and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

e. Committee Assignments for 2021.

- i. Administrative Review Committee.
- ii. Legislative Committee.

Commissioner Vargas stated to keep the committees the same for this year.

Counsel North stated who was on each committee.

Moved (Wright) seconded (Vargas) to reappoint Commissioners Sanchez, Tomanelli and Vargas to the Administrative Review

Committee and Commissioners Williams and Wright on the Legislative Committee.

Chair Sanchez called for the vote.

AYES: Sanchez, Tomanelli, Wright, Vargas, Jeffries, Hewitt, and Williams.

NOES: None.

ABSENT: None.

ABSTAINED: None.

7. INFORMATION ITEMS: No action to be taken by Commission.

a. Proposals Received and/or LAFCO Initiated (Government Code Sections 56751 and 56857):

i. LAFCO 2020-29-5-Annexation to Beaumont-Cherry Valley Water District (TTM 36307/Tournament Hills).

Mr. Altopp reviewed the new proposal received since the last meeting.

b. Report on Conducting Authority Proceedings.

Mr. Thompson reviewed the Conducting Authority Proceedings report.

8. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.

Mr. Thompson gave an update on pending legislation. He stated the Omnibus Bill will consolidate protest proceedings within CKH among other minor changes. He reviewed the Small Systems Water Authority Act of 2019, AB 2629-Riverside County's representation on IID's Board, and legislation on out of service area agreements.

Commissioner Hewitt asked if the larger water companies could take over smaller ones. Mr. Thompson responded that yes, that could happen. He stated the entire process would be overseen by the State Water Board and a consolidation coordinator would manage the process.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson stated that the CALAFCO Staff Workshop in March will be cancelled again this year due to Covid-19. He stated that CALAFCO was trying to reschedule the same venue for next year.

10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Commissioners Wright and Sanchez congratulated the new Chair Vargas and Vice Chair Tomanelli on their positions.

Commissioner Vargas thanked the Commission for the nomination and Chair Sanchez for his hard work as Chair.

12. ADJOURNMENT.

The Commission adjourned the meeting to Item 11 Closed Session at 10:48 a.m.

11. CLOSED SESSION:

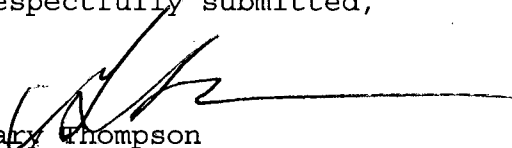
CONFERENCE WITH LEGAL COUNSEL:

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 (d)(1) of Government Code Section 54946.9).

A.1. City of Menifee vs. All Persons Interested in the Matter of the Conditional Approval of the City of Menifee's Application for Detachment (2016-03-05) from Valley-Wide Recreation and Parks District; Adoption of LAFCO Resolution No. 04-17, and Denial of the City of Menifee's Application for Reconsideration of a Resolution of the Local Agency Formation Commission of Riverside County (Resolution No. 04-16) and Riverside Local Agency Formation Commission, Riverside Superior Court Case No. RIC 1722064.

There was no reportable action.

Respectfully submitted,


Gary Thompson
Executive Officer