



2.a.
3/28/2024

MINUTES
February 22, 2024

Present

Commissioners: Michael Vargas, Chair
Yxstian Gutierrez, Vice-Chair
Stephen Tomanelli
Stephen Corona
Steve Sanchez
Kevin Jeffries
Cástulo Estrada

Present Staff: Gary Thompson, Executive Officer
Crystal Craig, Assistant Executive Officer
Elizabeth Valdez, Commission Clerk
Melissa Cushman, Legal Counsel

1. CALL TO ORDER AND SALUTE TO THE FLAG.

Chair Vargas called the meeting to order at approximately 9:06 a.m.

1.2. ROLL CALL.

1.3. POTENTIAL REQUEST BY ONE OR MORE COMMISSIONERS TO PARTICIPATE REMOTELY AND UTILIZE AB 2449'S JUST CAUSE OR EMERGENCY CIRCUMSTANCES, POTENTIAL VOTE ON LATTER.

No request was made.

1.4. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

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

2. APPROVAL OF THE MINUTES:

a. January 25, 2024

Moved (Tomanelli) seconded (Sanchez) to approve the Minutes of the January 25, 2024, meeting.

Chair Vargas called for the vote.

AYES: Corona, Sanchez, Jeffries, Gutierrez, Tomanelli, Estrada, and Vargas.

NOES: None.
ABSENT: None.
ABSTAINED: None.

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

There were no public comments.

4. CONSENT CALENDAR (NON-HEARING ITEMS):

a. LAFCO Monthly Expenditure Review.

Moved (Sanchez) seconded (Corona) to approve the Consent Calendar as recommended by staff.

Chair Vargas called for the vote.

AYES: Corona, Sanchez, Jeffries, Gutierrez, Tomanelli, Estrada, and Vargas.

NOES: None.
ABSENT: None.
ABSTAINED: None

5. PUBLIC HEARINGS:

Continued: There were no continued public hearing items.

New:

a. LAFCO 2023-05-5-Reorganization to Include Annexation to the City of Moreno Valley (World Logistics Center) and Concurrent Annexation to the Moreno Valley Community Service District (subsidiary) and Detachments from the Valley-Wide Recreation and Park District and the Riverside County Waste Resources Management District) and pursuant to the California Environmental Quality Act the Commission, as responsible agency, will review and consider the Addendum to the Final Environmental Impact Report prepared by the City of Moreno Valley, as lead agency and adoption of a resolution making determinations on the proposal. **(Staff recommends continuance to April 18, 2024)**

Ms. Craig stated that this proposal will need to be continued to April to complete property tax negotiations between agencies.

Commissioner Gutierrez asked if this is the Gillman Springs and Alessandro Blvd. potential annexation which is part of the World Logistics project. Ms. Craig replied yes, the remaining triangular piece.

Moved (Gutierrez) seconded (Sanchez) to continue LAFCO 2023-05-5-Reorganization to Include Annexation to the City of Moreno Valley (World Logistics Center) and Concurrent Annexation to the Moreno Valley Community Service District (subsidiary) and Detachments from the Valley-Wide Recreation and Park District and the Riverside County

Waste Resources Management District) to April 18, 2024, as recommended by staff.

Chair Vargas called for the vote.

AYES: Corona, Sanchez, Jeffries, Tomanelli, Gutierrez, Estrada, and Vargas.

NOES: None.

ABSENT: None.

ABSTAINED: None.

- b. LAFCO 2023-07-4-Sphere of Influence Amendment (addition) to the City of Coachella ("Pocket 7") and pursuant to the California Environmental Quality Act the Commission, as responsible agency, will review and consider the Final Environmental Impact Report prepared by the City of Coachella, as lead agency and adoption of a resolution making determinations on the proposal.

Ms. Craig gave a PowerPoint presentation. Ms. Craig stated that under the direction of the Commission this proposal is before them today. She stated that since the MSR and SOI review in 2022 the City of Coachella has been actively working on meeting all the requirements necessary to submit a proposal to add Pocket 7 to their SOI. She stated community outreach was done including a webpage dedicated to the project. She presented a map showing residents in support of the amendment. Ms. Craig stated that the City of Indio had submitted a proposal requesting the same territory be added to their SOI on February 8th.

Chair Vargas opened the public hearing.

Speakers in favor:

Stephanie Virgen, Mayor Pro Tem, City of Coachella. Ms. Virgen stated that the City provided community outreach. She stated they asked the community what they wanted in their community. She stated the Vista Santa Rosa Community Council, Supervisor Perez, as well as 34 residents submitted their support of the amendment.

Andrew Simmons, City Engineer, City of Coachella. Mr. Simmons spoke about agreements the city reached with Coachella Valley Water District and the Coachella Valley Water Authority to provide services. He referenced exhibits showing the infrastructure to provide services and future improvements to Pocket 7.

Irma Fernandez, resident of Mesquite Community. Ms. Fernandez stated she wanted to remain in the City of Coachella. She stated the city was already providing water when her pump went out and the City of Indio could not provide service long term.

Jesus Fernandez, resident of Mesquite Community. Mr. Fernandez stated that when his well went out the City of Coachella was able to provide water and stated he wanted to remain in the City of Coachella. He

stated Indio was only able to provide services for 3 months.

Sergio Espinoza, resident of Mesquite Community. Mr. Espinoza stated that water is provided to his residence by the City of Coachella and wished to remain in Coachella.

Alan Ascencio, resident of Mesquite Community. Mr. Ascencio stated that water is provided to his residence by the City of Coachella and wished to remain in Coachella.

Speakers in opposition:

Kevin Snyder, Community Development Director, City of Indio. Mr. Snyder stated that in December the Commission directed staff to hear both proposals concurrently but then in January directed them to bring Coachella back today. He stated that Indio submitted their proposal on February 8th and asked the Commission to table their decision today and hear both city's proposals at the same time and decide then which city is best able to serve the residents.

Steven Graham Pacifico, City Attorney for City of Indio. Mr. Pacifico asked the commission to consider both proposals at the same time. He stated he had concerns regarding the rush to hear Coachella's proposal and that Indio did not have a chance to give input last month when the Commission directed staff to put Coachella's proposal on the agenda today.

Kathy Rollings McDonald, City of Indio. Ms. Rollings McDonald stated that the Mesquite Community is being provided water services from the City of Coachella in response to an emergency. She stated that service should be provided under Section 56133 requirement. She requested that the commission consider both proposals at the same time.

In Favor:

Paula de Sousa, Best, Best & Krieger, Attorney for City of Coachella. Ms. de Sousa stated that Section 56655 allows for competing proposals for annexations not SOI amendment applications. She stated that the City of Coachella met all the requirements to submit its proposal, and the proposal should not be delayed any further. She stated that the City of Coachella will be filing an action against the City of Indio regarding CEQA as it relates to Indio's application.

Chair Vargas closed the public hearing.

Commissioner Tomanelli asked if there were any residents present or any public members of the City of Indio in opposition to the proposal. There were none. Mr. Tomanelli stated he was in support of Coachella's proposal.

Commissioner Gutierrez asked if according to the code Section 56655 mentioned if LAFCO could or could not hear competing proposals.

Counsel Cushman stated that code section specifically references proposals. She stated that the Commission can manage its own agenda. She stated that they can approve, deny or continue the proposal up to 70 days or longer if necessary to hear both proposals together per CKH.

Commissioner Gutierrez asked about infrastructure and if Coachella is providing water services. Ms. Craig replied yes Coachella is providing services now however, during the SOI review staff does not go into depth analyzing infrastructure and that is usually done if an annexation is submitted.

Commissioner Estrada stated that the agreement with Coachella Valley Water District and the City was signed in 2005. He stated that the agencies have been using the agreement to plan its infrastructure for the past 16 years in order to best serve the area.

Commissioner Sanchez thanked LAFCO staff and the Cities. He stated that he would like to wait to have all the information from both cities. He stated that the first to apply doesn't mean it's the best to serve the area.

Commissioner Sanchez asked for direction regarding, denying, approving or continuing the decision and bring both proposals back at the same time.

Counsel Cushman stated that they can continue the proposal for up to 70 days for a SOI amendment.

Mr. Thompson stated they could continue it, but Indio would not be ready to hear until at least May. Mr. Thompson stated that if the Commission approved Coachella's proposal it doesn't stop Indio's proposal from moving forward.

Commissioner Sanchez stated that a district or community needs to be served properly and that the Commission should do what it said in December and wait.

Commissioner Sanchez motioned to table the decision for 70 days to hear both proposals at the same time.

Commissioner Jeffries stated that Pocket 7 was created in 2006 and that finally an agency is ready to move forward in serving the area. He stated that he had not heard from Indio up until yesterday. He stated the residents are requesting to be Coachella and the Commission should not delay their decision for fear of litigation.

Commissioner Estrada stated that he did not hear anything from Indio indicating litigation. He stated that the City of Coachella is ready to move forward and has support from the residents. He stated he does not support continuing the proposal.

Commissioner Vargas stated the Commission unanimously directed staff

to add Coachella's proposal to the agenda today. He stated Coachella did outreach to the residents and they support the proposal. He stated he would like to move forward today with their decision.

Commissioner Corona stated that Coachella met all the requirements for submittal.

Substitute motion (Corona) seconded (Tomanelli) to approve LAFCO 2023-07-4-Sphere of Influence Amendment (addition) to the City of Coachella ("Pocket 7") as recommended by staff.

Chair Vargas called for the vote.

AYES: Corona, Sanchez, Jeffries, Gutierrez, Tomanelli, Estrada, and Vargas.

NOES: None.

ABSENT: None.

ABSTAINED: None.

6. OTHER BUSINESS:

a. Independent Auditor's Report for Fiscal Year 2022-23.

Mr. Thompson presented the Audit. He spoke about the state grant, unfunded liability, CALPERS, and that the reserves will be funded per policy.

Mr. Thompson introduced auditor, Jonathan Foster, Davis Farr LLP.

Mr. Foster gave a PowerPoint presentation outlining the Audit. He stated that an unmodified opinion, the highest level, was issued. He spoke about internal controls, OPEB, and pension obligations. He also reviewed the financial statements and upcoming GASB requirements effective fiscal year end 2025.

Chair Vargas stated that the Administrative Review Committee met and approved to move forward to present the Audit to the full commission.

Moved (Sanchez) seconded (Jeffries) to receive and file Independent Auditor's Report for Fiscal Year 2022-23 as recommended by staff.

Chair Vargas called for the vote.

AYES: Corona, Sanchez, Jeffries, Gutierrez, Tomanelli, Estrada, and Vargas.

NOES: None.

ABSENT: None.

ABSTAINED: None.

b. Fiscal Year 2023-24 Mid-Year Budget Review.

Mr. Thompson presented this item. He stated that the overall status of the revenue and expenditures are tracking as budget however, end

of year actuals will be lower due to the state grant. He stated that the Capital Replacement Reserve end of year transfer may go towards the moving the office into the cloud instead of purchasing new servers. He spoke about the unfunded pension liability and may need to extend the time to fund it.

Commission Estrada asked who contributes to the budget. Mr. Thompson stated cities, special districts, the County, interest, and fee revenue funds the budget.

This item was a receive and file item, no action was taken.

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

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

- i. LAFCO 2024-01-3-Annexation to Valley-Wide Recreation and Park District (TR 30976 & 30977- Richland Ventures, Inc.)
- ii. LAFCO 2024-02-4-Sphere of Influence Amendment (removal) from the City of Coachella and Concurrent Sphere of Influence Amendment (addition) to the City of Indio (Southeastern Sphere I)
- iii. LAFCO 2024-03-4-Sphere of Influence Amendment (addition) to the City of Indio (Southeastern Sphere II/Pocket 7)

Ms. Craig gave an overview of the new proposals received.

Chair Vargas called on members of the public that wished to speak on items 7.ii. and 7.iii.

Neutral Speakers:

Paula de Sousa, Best, Best & Krieger, Attorney for City of Coachella. Ms. de Sousa stated that Coachella sent notice to Indio of Coachella's intent to file an action under CEQA to challenge Indio's CEQA compliance for its SOI applications, and that the litigation was against Indio not LAFCO.

Supervisor Gutierrez left the meeting at 10:27 a.m.

Speakers in Opposition:

Irma Fernandez, resident of Mesquite Community. Ms. Fernandez spoke in opposition to the Indio SOI proposals.

Jesus Fernandez, resident of Mesquite Community. Mr. Fernandez spoke in opposition to the Indio SOI proposals. He stated he does not want any funding to be taken away from the services being provided to the community.

Sergio Espinoza, resident of Mesquite Community. Mr. Espinoza spoke

RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

in opposition to the Indio SOI proposals.

Alan Ascensio, resident of Mesquite Community. Mr. Ascensio spoke in opposition to the Indio SOI proposals.

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 spoke about the Omnibus bill. He stated that there was nothing of significance to LAFCO's that CALAFCO was tracking. He stated that there is legislation that has been formalized regarding the indemnification issue.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson stated that he will be out of the office for back surgery for a few weeks and Ms. Craig will be in charge.

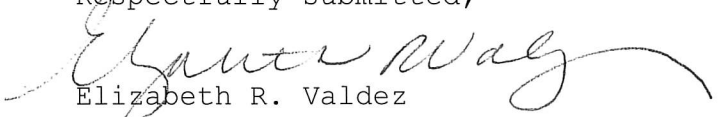
10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Chair Vargas stated that at the next meeting the commission will be moved closer together on the dais.

11. ADJOURNMENT.

The Commission adjourned the meeting at approximately 10:33 a.m.

Respectfully submitted,



Elizabeth R. Valdez
Commission Clerk