



2.
10/28/2021

MINUTES
September 23, 2021

Present Commissioners

In-Person: Michael Vargas, Chair
Steve Sanchez
Nancy Wright
Kevin Jeffries
Phil Williams

Via Teleconference: Stephen Tomanelli, Vice Chair
Jeff Hewitt
Kevin Jeffries

Present Staff

In-Person: 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 9:30 a.m.

1.2. ROLL CALL.

1.3. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

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

Commissioner Hewitt joined the meeting via teleconference at 9:33 a.m.

2. APPROVAL OF THE MINUTES OF THE JULY 22, 2021 MEETING.

Moved (Wright) seconded (Sanchez) to approve the Minutes of the July 22, 2021 meeting.

Chair Vargas called for the vote.

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

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.

b. LAFCO 2021-05-5-Annexation to Beaumont-Cherry Valley Water District (PM 28348) and a finding of exemption pursuant to the California Environmental Quality Act, and adoption of a resolution making determinations on the proposal.

Moved (Williams) seconded (Sanchez) to approve the consent calendar as recommended by staff.

Chair Vargas called for the vote.

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

NOES: None.

ABSENT: None.

ABSTAINED: None.

5. PUBLIC HEARINGS:

Continued:

There were no continued public hearing items.

New:

a. LAFCO 2019-11-3-Murrieta Area Focused Municipal Service Review (FMSR): City of Murrieta, Eastern Municipal Water District, Western Municipal Water District and Rancho California Water District and a finding of exemption pursuant to the California Environmental Quality Act, and adoption of a resolution making determinations on the proposal.

Mr. Thompson presented this proposal. He stated that the project has taken over three years to complete. He reviewed the map of the area, the reason for the study, the process, and past public meetings. Mr. Thompson stated that the Final Report was released to the public generating over 200 comments from the public and agencies. He stated an Errata was prepared responding to the comments and updating portions of the Study. He then reviewed the process the consultants used with the information that was provided to them by the agencies. Mr. Thompson stated that the commission would not be making any changes or recommendations today. He stated any change would have to be initiated by one of the agencies or a member of the public.

Presenters:

Stephen Dopudja, Dopudja and Wells Consulting, Inc. Mr. Dopudja presented a PowerPoint Presentation. He reviewed for each of the three water districts in the Murrieta service area; existing operations, the critical infrastructure assumptions, the infrastructure required for service through the future, and the infrastructure improvements costs by agency.

Art Griffith, FG Solutions, LLC. continued the presentation. Mr. Griffith reviewed the financial analysis and methodology used to complete the analysis. He reviewed how the study addressed public comments and concerns, the key assumptions, projected water demands by source, projected capital expenses, operating expenses, and financially integrated scenarios, and the results with side-by-side comparison for each of the three water districts.

Mr. Thompson addressed some additional concerns of the public regarding wells and the drawdown of the aquifer.

Commissioner Sanchez asked if a private well system fails would they be forced to connect. Mr. Thompson stated that the well owner may have to connect.

Commissioner Williams asked if the study considered buying out existing assets if an agency were to take over an existing agency's service area to compensate rate payers that have paid for things yet to be constructed. Mr. Griffith stated that the assets would be transferred, and the agency would be made whole for outstanding debt of the area. He stated that the money would come from the area to pay for infrastructure.

Chair Vargas opened the public hearing.

Craig Miller, District Manager, Western Municipal Water District. Mr. Miller addressed concerns of customers in the Murrieta service area. He stated the study was a snapshot in time and there have been changes in the agency since the start of the project so an apples to apples comparison is difficult to do. He stated the outcome is the opportunity for collaboration between the agencies.

Joe Mouawad, District Manager, Eastern Municipal Water District. Mr. Mouawad thanked LAFCO staff and the consultants for their efforts in producing the MSR. He stated that this study will allow Murrieta to identify the optimum service provider for the study area. He stated their strategic goal is for collaboration with the agencies to meet the goals of this effort and the needs of the community.

Rob Grantham, District Manager, Rancho California Water District. Mr. Grantham thanked LAFCO staff and the Commission. He stated that

the District's average costs are lower, and the District is ready to collaborate with the agencies.

Ivan Holler, Assistant City Manager, City of Murrieta. Mr. Holler thanked LAFCO staff. He stated that the City originally requested this Focused MSR. He stated that the MSR confirms there are deficiencies in infrastructure to develop the downtown area. He stated this process will conclude without a solution. Mr. Holler stated that the MOU between RCWD and WMWD is non-binding and may lead to a solution. He stated the City would like to come back to LAFCO with a petition to resolve the challenges for development and requested the Commission remain engaged with a status update on this item. He stated the City is prepared to work with the agency that is able to make the improvements and serve the area best.

Barbara Ankle, resident. Ms. Ankle thanked all those involved with the study. She stated that her main concern of "growth pays for growth" issue has not been addressed by the agencies. She stated customers paying for new infrastructure for future customer use that is not within their service area is not proper and asked for a new solution to address this burden on existing customers.

Kathryn Elliot, resident. Ms. Elliot stated after review of comments posted on the LAFCO website, RCWD's scenario shows savings to customers over the years, however, the rates recently have increased for current customers. She expressed her concerns over ad valorem tax or increased surcharges to pay off debt associated with infrastructure that is currently underutilized.

Randy Haskin. Mr. Haskin was unable to connect via-teleconference. The comment provided on his speaker form stated: I want to protect the rights of private wells in the study area, without taxation.

Commissioner Williams stated if the result of this process has two agencies willing to work together than it was worth it. He asked that an update to the Commission be provided.

Chair Vargas thanked the consultants, staff, and stated he appreciated the collaboration between all the agencies and agreed that an update be provided to the Commission in six months.

Chair Vargas closed the public hearing.

Moved (Williams) seconded (Wright) to receive and file LAFCO 2019-11-3-Murrieta Area Focused Municipal Service Review (FMSR): City of Murrieta, Eastern Municipal Water District, Western Municipal Water District and Rancho California Water District as recommended by staff and to direct staff to return in six months with a monitoring report.

Chair Vargas called for the vote.

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

NOES: None.

ABSENT: None.

ABSTAINED: None.

6. OTHER BUSINESS:

a. Creation and Authorization of New Position - LAFCO GIS Analyst.

Ms. Craig presented this item. She stated that in addition to her Executive Officer duties, she currently the only employee handling all GIS duties. She stated that she has been working with the County Human Resources Department to finalize the position description and begin to the recruitment process. Ms. Craig is hoping to have the position filled by January 2022.

Moved (Williams) seconded (Vargas) to approve Item 6. Creation and Authorization of New Position - LAFCO GIS Analyst as recommended by staff.

Chair Vargas called for the vote.

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

NOES: None.

ABSENT: None.

ABSTAINED: None.

b. CALAFCO Annual Conference Cancellation and Designation of Voting Delegate for CALAFCO Annual Business Meeting and CALAFCO Board of Directors Elections.

Mr. Thompson stated that the CALAFCO Annual Conference was canceled again this year. He stated that the Annual Business Meeting will still take place virtually and voting for the CALAFCO Board of Directors Elections will be done electronically. Mr. Thompson stated a voting delegate, and an alternate would need to be nominated today to receive the ballot information being sent out by CALAFCO.

After some discussion, the Commission nominated Chair Vargas as the Voting Delegate and Commissioner Sanchez as the Alternate Voting Delegate for the CALAFCO Business Meeting and Board of Directors Elections.

Moved (Williams) seconded (Wright) to designate Chair Vargas as the Voting Delegate and Commissioner Sanchez as the Alternate Voting Delegate.

Chair Vargas called for the vote.

AYES: Vargas, Tomanelli, Wright, Sanchez, 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 2021-07-3-Sphere of Influence Amendments to Eastern Municipal Water District (removal) and to Rancho California Water District (addition) (Wingsweep Corp.); and

ii. LAFCO 2021-08-3-Reorganization to Include Detachment from Eastern Municipal Water District and Concurrent Annexation to Rancho California Water District (Wingsweep Corp.)

iii. LAFCO 2021-09-5-Request for Extra-Territorial Service Provision - Yucaipa Valley Water District (I-10 Logistics, LLC)

Ms. Craig gave an update on new proposal received.

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 that AB 1021 (Mayes), Imperial Irrigation District (IID), is before the Governor to sign. He stated that SB 170 allocates which agency will distribute the budget money to LAFCO for the IID special study. He stated an RFP has been issued for the study.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson stated that there were a few extra-territorial applications being submitted to LAFCO. He stated that he will be gone next week for an 8-day fishing trip. He thanked the Commission for approving the GIS/Analyst position in order to relieve the workload from Ms. Craig. Mr. Thompson thanked Ms. Craig for all her hard work taking on the extra duties while short staffed.

10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Commissioner Wright asked if the CALAFCO meeting will be via Zoom. Mr. Thompson stated that he would send out the meeting agenda with

RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

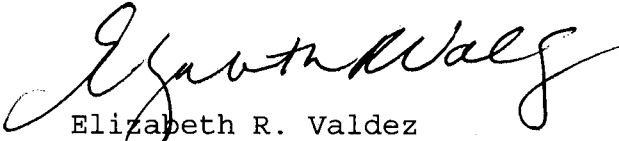
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information on how to attend. Chair Vargas asked that Ms. Craig attend the meeting to provide an update to him afterwards.

11. **ADJOURNMENT.**

The Commission adjourned the meeting at 11:09 a.m.

Respectfully submitted,



Elizabeth R. Valdez
Commission Clerk