

2.a.
9/24/2026

MINUTES
July 23, 2026

Present Agustin Arreola, Vice-Chair
Commissioners: Stephen Corona
Steve Sanchez
Michael M. Vargas
Bruce Underwood

Absent: Yxstian Gutierrez, Chair
Commissioners: V. Manuel Perez

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

1.1. CALL TO ORDER AND SALUTE TO THE FLAG.

Vice-Chair Arreola called the meeting to order at approximately 9:00 a.m.

1.2. ROLL CALL.

1.3. POTENTIAL REQUEST BY ONE OR MORE COMMISSIONERS TO PARTICIPATE REMOTELY.

There were no requests.

1.4. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

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

2. APPROVAL OF THE MINUTES:

a. June 25, 2026

Moved (Sanchez) seconded (Corona) to approve the Minutes of the June 25, 2026, meeting as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: Vargas.

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.**

Commissioner Underwood asked if there was a report that shows revenues. Mr. Thompson replied, no, this item is just for expenditures.

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

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: Vargas.

ABSTAINED: None.

5. PUBLIC HEARINGS:

Continued: There were no continued public hearing items.

New:**a. Biennial Review and Amendment of the LAFCO Conflict of Interest Code.**

Mr. Thompson stated that Code was amended to update language regarding Government Code section 87306.

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

Moved (Underwood) seconded (Sanchez) to approve the Amended LAFCO Conflict of Interest Code as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: Vargas.

ABSTAINED: None.

Chair Vargas arrived at the meeting at 9:06 a.m.

6. OTHER BUSINESS:**a. CALAFCO Annual Conference Attendance and Designation of Voting Delegate for CALAFCO Annual Business Meeting and Regional Caucus.**

Mr. Thompson asked the Commission who would like to go to the Annual Conference in Sacramento. Commissioners Sanchez, Arreola, Vargas, and Underwood stated they would like to attend.

Mr. Thompson then asked the Commission to nominate a voting delegate and two alternates.

Commissioner Sanchez nominated Commissioner Vargas as the voting delegate and Commissioner Underwood as the alternate as well as the LAFCO Executive

Officer as the second alternate.

Moved (Corona) seconded (Sanchez) to designate Commissioner Vargas as the voting delegate and Commissioner Underwood as the alternate as well as the LAFCO Executive Officer as the second alternate.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Vargas, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: None.

ABSTAINED: None.

b. CALAFCO Board of Directors Nominations.

Mr. Thompson stated that there are four slots per region on the CALAFCO Board of Directors. He stated that there are three LAFCOs in the Southern Region. He stated that there are two 1-year terms and two 2-year terms for the Southern Region open, effective in December. He stated that Commissioner's Gutierrez and Sanchez are currently on the Board.

Commissioner Vargas stated he recommended the current members stay on for another term. Commissioner Sanchez stated that he would not be running again for the CALAFCO Board and nominated Commissioner's Gutierrez and Vargas for 2-year terms each.

Moved (Sanchez) seconded (Underwood) to nominate Commissioner's Gutierrez and Vargas for 2-year terms to the CALACO Board of Directors.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Vargas, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: None.

ABSTAINED: None.

c. Discussion of Potential Schedule of Committee Meetings for Municipal Service Reviews and Forensic Audits.

Mr. Thompson stated that the two committees should come up with a schedule and location that includes virtual and/or the LAFCO office. He stated an agenda will need to be posted and hoped each committee would start meeting in the next few weeks.

No action was taken.

d. Discussion on LAFCO's Role in Addressing Annexations Involving Data Center Development Projects.

Ms. Craig and Mr. Henderson gave a PowerPoint presentation on this item. She stated that it was at the request of Vice-Chair Arreola to examine data centers and identify which elements could fall within LAFCO's purview.

Mr. Henderson gave an overview of what data centers are, such as server farms and cloud storage, and what kind of energy they use and how much they need to run, which includes water and power. He presented a map of

data centers and battery energy storage systems (BESS), current and proposed, in the County of Riverside.

Ms. Craig reviewed how CEQA and the potential impacts from data centers such as noise and high-volume power use. She stated that LAFCO would look into these issues more heavily when reviewing CEQA documents, especially for a proposed data center. She stated it is important for staff to have timely access to review CEQA documents, not just when a project is submitted. Ms. Craig stated that recent Urban Water Management Plans (UWMP) that were reviewed by staff did not address data centers and the potential water uses for them. She stated that staff will review water supply assessments (WSA) in addition to UWMP's and will consider addressing data center impacts when preparing a municipal service review.

Mr. Henderson reviewed current legislation addressing data centers, AB 2619, SB 887, and AB 1577.

Ms. Craig stated that data centers could be built in a disadvantaged unincorporated community (DUC). She stated cities, districts, and the county should notify LAFCO if approving data center plans to ensure equity and environmental justice reviews of annexation and service requests for proposed data center sites. Ms. Craig stated that a pre-zoning ordinance is in effect for two years and the zoning could change allowing for data centers. She stated the trend of annexing land with no proposed development allows for the potential to have to redo or do more CEQA. She stated that information that LAFCO should request during the review process include CEQA, WSA's, and UWMP's to review utility and service capacity information, project planning materials, and agricultural and land-use plans. Ms. Craig stated that LAFCO can impose a condition on projects under Government Code section 56886.

Vice-Chair Arreola thanked staff for the presentation and stated that it was well researched. He stated that the more information that can be gathered is best during the LAFCO approval process as well as for the community.

Commissioner Vargas stated that he would like to continue to review the presentation before having a conversation with the Commission. He stated that DUCs aren't represented well and can be taken advantage of by data centers and warehouses. He also asked for clarification on LAFCO imposing conditions of approval.

Ms. Craig stated that under Section 56886 LAFCO cannot regulate land use or zoning on a project. She stated the pre-zoning document is locked in for two years but can be changed to allow for a data center when a proposed shopping center was approved by LAFCO.

Commissioner Corona asked if what LAFCO is imposing would only be for annexations or SOI changes and asked why the agencies can't make their own decisions on land use. He stated that he doesn't think data centers are different than any other project and doesn't want to interfere with land use agencies.

Ms. Craig stated, this would specifically be for data centers, however, no policy is in place.

Commissioner Sanchez agreed that the Commission has received a lot of information to review. He stated that he's not sure if LAFCO is the agency for this issue. He asked if LAFCO is considering data centers due to the need to review if the agency can provide services and should LAFCO be calling out data centers specifically or look at all projects the same. He asked if there is a proposed data center, is that reviewed during the MSR process.

Ms. Craig stated that if it comes to LAFCO for an annexation or SOI amendment that LAFCO be notified early to review CEQA if the project includes a proposed data center. She stated that LAFCO should be notified of any future zoning change. She stated that when LAFCO evaluates the agency during the MSR process, if we can map the data centers, then LAFCO can review the agency in more depth.

Mr. Henderson stated that the data for the map showing the data centers was provided by ESRI and local news excerpts and there is not one source that shows all data centers together.

Commissioner Corona stated for any project that EMWD would be able to say either way if they will or will not have the water to supply the project area regardless of the type of project due to the required rules and regulations in place.

Vice-Chair Arreola stated that there should be a further discussion amongst the Commission at the next meeting. He stated that any additional data that can be collected would benefit the MSR and SOI review that is well within LAFCOs purview.

Commissioner Vargas asked if there is a project that is within his city, is LAFCO asking just to be notified if there is a data center involved.

Mr. Thompson stated that for any project that is going to generate a CEQA requirement and a notice of preparation for a CEQA document that LAFCO be notified so that LAFCO can review the document prior to any project coming to LAFCO.

Moved (Vargas) seconded (Sanchez) to bring this item back to the next regular meeting of the Commission for further discussion and make a recommendation to staff on how to move forward.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Vargas, Underwood, and Arreola.

NOES: None.

ABSENT FROM VOTE: None.

ABSTAINED: None.

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

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

There were no new proposals.

- b. Report on Conducting Authority Proceedings. (No Report)

8. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.

Ms. Craig stated that AB 2383 (Jackson) is still sitting in the Senate Appropriation's suspense file. She stated that funding is still a major concern. Ms. Craig stated that SB 1312 (Richardson) has had substantial amendments and CALAFCO changed their position to oppose since they had requested technical amendments and they were not included in the current version of the bill.

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

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson that there was no meeting in August, a special meeting would be held September 3rd at 8:00 a.m., September 24th, and October 28th.

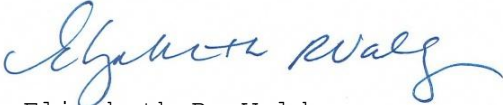
10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Vice-Chair Arreola stated that LAFCO on behalf of the Special District Risk Management Authority had received an award for no paid claims for the property/liability program years 2021-2026.

11. ADJOURNMENT.

Vice-Chair Arreola adjourned the meeting at approximately 10:25 a.m.

Respectfully submitted,



Elizabeth R. Valdez
Commission Clerk