

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JANUARY 19, 2011**

REGULAR MEETING

9:00 A.M.

JANUARY 19, 2011

PRESENT:

COMMISSIONERS: Jim Bagley
Robert Colven, Alternate
Ginger Coleman
Kimberly Cox
James Curatalo, Vice-Chairman
Neil Derry, Alternate
Brad Mitzelfelt, Chairman
Robert Smith, Alternate
Diane Williams, Alternate

STAFF: Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, Legal Counsel
Samuel Martinez, Senior LAFCO Analyst
Michael Tuerpe, LAFCO Analyst
Anna Raef, Recording Secretary
Angela Schell, Deputy Clerk to the Commission

ABSENT:

COMMISSIONERS: Larry McCallon

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 9:03 A.M. – SAN BERNARDINO CITY
COUNCIL CHAMBERS**

Chairman Brad Mitzelfelt calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

CONSENT ITEMS – APPROVE STAFF RECOMMENDATIONS

1. Approval of Minutes for Regular Meeting of December 8, 2010
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of November and December 2010 and Note Cash Receipts
4. Review and Accept Audit Report for Fiscal Year Ended June 30, 2010

A Visa Justification for the Executive Officer's expense report, as well as a staff report outlining the staff recommendation for the reconciled payments and the staff report outlining the recommendations for the Audit Report have been provided, and copies of each are on file in the LAFCO office and are made a part of the record by their reference here.

Commissioner Williams moves approval of the consent calendar, second by Commissioner Derry. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon

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(Commissioner Williams voting in his stead). Commissioner Cox abstains from the vote on Agenda Item No. 1 as she was absent from the hearing.

PUBLIC HEARING ITEMS:

CONSENT ITEMS DEFERRED FOR DISCUSSION - None

CONSIDERATION OF CEQA STATUTORY EXEMPTION FOR LAFCO 3164; AND LAFCO 3164 -- SERVICE REVIEW AND SPHERE OF INFLUENCE AMENDMENT (EXPANSION) FOR COUNTY SERVICE AREA 42 (ORO GRANDE COMMUNITY DEFINITION) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider CEQA Statutory Exemption for LAFCO 3164; and LAFCO 3164 – Service Review and Sphere of Influence Amendment (expansion) for County Service Area 42 (Oro Grande Community Definition). As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, *The Daily Press*. The sphere of influence amendment proposal was not provided individual notice as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in-lieu of individual notice the publication was provided through an eighth-page legal ad. As required by State Law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. She states that at the September hearing the Commission made determinations regarding the community of Oro Grande and following much discussion at the June and September hearings, the Commission defined the community. Staff was directed to return at the January hearing with a sphere of influence amendment for CSA 42 to solidify this community definition and give the residents an agency to look to for future governance.

Ms. McDonald states that one item discussed at the September hearing was that the pass-through for the redevelopment increment related to creation of the Victor Valley Economic Development Agency (VVEDA) did not go to CSA 42 and it was frozen at its \$28,000 tax base since 1993. She refers to the overhead display and indicates what CSA 42 would have received had it participated in receiving revenues from the TXI expansions. She says the CSA 42 share this year would be \$167,000 last year it would have been \$232,000, and the year before \$370,000. She says this year CSA 42 received \$28,861. She points out that the agency has not benefited from the improvements from the TXI facility. Ms. McDonald states that negotiations are ongoing between the County and VVEDA to review the issue. She says that it is the position of LAFCO staff that the bylaws of VVEDA allow for financing avenues to help this strained community pay for the services it renders.

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Ms. McDonald explains that the report contains all seven factors required for consideration and she will highlight those that are particularly relevant to this discussion. She says that for water service CSA 42 has a free production allowance (FPA) of 279 acre feet. She says the agency does not use its full free production allowance, so every year the agency has the ability to lease the unused FPA for additional revenues. She refers to the chart in the staff report and notes that from 2005-2006 through 2007-2008, the most current years for information, the agency made more money selling 185 to 200 acre feet of water than it received from property tax. She says CSA 42 has amongst the highest water rates in the north desert and is No. 2 in monthly average cost; however factoring the monthly surcharge from the Apple Valley Ranchos Water Company makes it No. 3. She states that the residents of the area are some of the most disadvantaged of the north desert. Additionally, the residents pay the highest sewer rate in the desert, almost twice what the City of Adelanto (the closest second) charges its residents. She says CSA 42 has difficulties meeting its obligations and financing services and upgrading systems, yet its people pay the highest rates for the services received.

She explains that the Commission must review an inventory of services provided by each agency. CSA 42 currently provides park and recreation, water, sewer and street lighting. Materials provided identify that the street lighting function has been rolled into the park and recreation function because the agency cannot afford to pay the administrative cost of the County Special Districts, should it be a standalone unit. She notes that an amount is owed to CSA 70 for administration in excess of \$13,000 for two to three years of service. She says that recently CSA 42 has entered into an agreement with the Community Development Block Grant to fund improvements at the historic Oro Grande Cemetery. Ms. McDonald notes that staff applauds this effort because many early pioneers of the Victor Valley are laid to rest there as well as many servicemen and women. However, she notes that cemetery service is not authorized to CSA 42 and the signing of the agreement requires a 30-year maintenance and operation agreement with the federal government for receipt of those funds. Additionally, CSA 70 is not authorized cemetery service, so staff continues to work with County Special Districts to resolve the issue. It is hoped that the County Museums will take over the facility and manage it for the future as the cemetery is owned by the County.

Ms. McDonald states that staff proposes that the sphere of influence of CSA 42 be expanded for two specific areas, including the area to the west taking the sphere of influence to the bluffs or centerline of the Mojave River, where the City of Victorville's sphere and boundary are set, and taking it along the properties that have been excluded for mineral resource preservation. The second area lies between the existing boundaries that create a service peninsula. The property is owned by TXI, which has no objection to the inclusion of that property into the CSA 42 sphere. She says staff recommends that the Commission take the action necessary to approve the sphere of influence amendment with the understanding that this is a planning tool. She reiterates that the agency's revenues are constrained and its ability to extend services hampered.

Ms. McDonald summarizes the recommendations for the Commission's consideration as outlined in detail in the staff report.

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Chairman Mitzelfelt calls for questions from the Commission. Commissioner Bagley comments that the cemetery issue should be a simple ministerial correction through Special Districts to add cemetery service. Ms. McDonald states that changes in state law which took effect two years ago require that a full LAFCO application, requiring property tax negotiations, environmental review and public hearings, must be pursued. The Commission does not have the ability to initiate the action. She says staff would be open to discussion regarding fee waiver or reduction if the agency wishes to submit an application.

Chairman Mitzelfelt comments that, as this cemetery is closed, it is really a memorial park. Ms. McDonald states that typically, for a closed cemetery, the cemetery function would allow use of endowment funds for perpetual care and maintenance of the facility. In this case, there are no funds, so the cemetery function would allow for maintenance of the grounds and assuring that no vandalism occurs. Chairman Mitzelfelt states that the cemetery is so neglected that it looks like a dirt lot and it is difficult to determine where the plots are. He believes some improvement and maintenance are absolutely necessary. He notes that some of the Veterans' groups in the area are providing some maintenance and asks if that could continue through a contract between the Veterans' groups and the CSA. Ms. McDonald states that could occur but cemetery powers would be required.

Commissioner Williams asks if there are historical documents that would indicate who is buried there. Chairman Mitzelfelt states that some are known by family members, but he believes there is very little documentation. Commissioner Coleman states her family lived in the area for many years and she has been told that the cement plant moved the cemetery from its original site.

Commissioner Colven asks about the County Museum's funding in the event it is able to take over maintenance of the cemetery. Ms. McDonald responds that County Special Districts is working with the County Museum to determine if it will take it over. The funding is derived from County General Fund, endowments, and other revenues. She remarks that the Museum is constrained, as are other public agencies. She says the only other agency that could maintain the cemetery is CSA 42 or the Veterans' groups through a contract with the agency.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one. Chairman Mitzelfelt closes the public hearing and calls for further questions from the Commission. There are none.

Commissioner Cox moves approval of the staff recommendation, second by Commissioner Coleman. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon (Commissioner Williams voting in his stead).

**SERVICE REVIEW FOR THE CREST FOREST COMMUNITY WHICH INCLUDES
THE REVIEW OF CEDARPINES PARK MUTUAL WATER COMPANY, VALLEY OF**

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**ENCHANTMENT MUTUAL WATER COMPANY AND SPHERE OF INFLUENCE
UPDATE/AMENDMENT REVIEWS FOR THE FOLLOWING:**

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3114;
AND (2) LAFCO 3114 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE
FOR CRESTLINE VILLAGE WATER DISTRICT**

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3117;
AND (2) LAFCO 3117 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE
FOR COUNTY SERVICE AREA 18**

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3133;
AND (2) LAFCO 3133 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE
FOR CRESTLINE SANITATION DISTRICT – APPROVE STAFF
RECOMMENDATIONS ON LAFCO 3114 AND 3117 AND APPROVE STAFF
RECOMMENDATION TO CONTINUE LAFCO 3133 TO MARCH 16, 2011 HEARING**

LAFCO conducts a continued public hearing to consider Service Review for the Crest Forest Community which includes the review of Cedarpines Park Mutual Water Company, Valley of Enchantment Mutual Water Company and Sphere of Influence Update/Amendment Reviews for Crestline Village Water District, County Service Area 18, and Crestline Sanitation District.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. She states that the Crestline Sanitation District has requested an additional continuance to the March hearing to resolve questions regarding contracts for services the agency is currently providing outside its boundaries and outside its existing sphere of influence. Ms. McDonald notes that the Crestline Village County Water District and CSA 18 have expressed no opposition or concern with staff's original recommendation. Staff proposes that the Commission take action to conclude the service review and sphere update for CSA 18 and the Crestline Village County Water District, expanding the Crestline Village County Water District's and CSA 18's spheres of influence as outlined in the report for the December 8th hearing. She requests that the review of Crestline Sanitation District be continued to the March 16, 2011 hearing, that the Commission receive and file the service reviews for Crestline Village County Water District and CSA 18, certify that the sphere of influence updates with changes and amendments are statutorily exempt from environmental review and make determinations regarding modified service delivery regarding snow removal and modified service descriptions under the water function for Crestline Village County Water District and that the Commission adopt the appropriate resolution.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

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Chairman Mitzelfelt closes the public hearing.

Commissioner Derry moves approval of the staff recommendation, second by Commissioner Curatalo. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon (Commissioner Williams voting in his stead).

SERVICE REVIEW FOR THE JOSHUA TREE COMMUNITY WHICH INCLUDES THE REVIEW OF THE COUNTY SERVICE AREA 70 ZONES R-19 (ROADS) AND TV-5 (TELEVISION) AND SPHERE OF INFLUENCE UPDATE/AMENDMENT REVIEW FOR THE FOLLOWING:

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3111; AND (2) LAFCO 3111 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR JOSHUA BASIN WATER DISTRICT

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3132; AND (2) LAFCO 3132 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 20 – APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider Service Review for the Joshua Tree Community which includes a review of County Service Area 70 Zones R-19 (roads) and TV-5 (television) and Sphere of Influence Update/Amendment Review for Joshua Basin Water District and County Service Area 20. As required by State Law notice of the hearing was provided through publication in a newspaper of general circulation, the *Hi-Desert Star*. Individual notice was not provided as allowed under Government Code Section 56157 as such mailing would include more than 1,000 individual notices. As outlined in Commission Policy #27, in-lieu of individual notice the notice of hearing publication was provided through an eighth page legal ad. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. In addition, on January 6, 2011 LAFCO staff conducted a meeting with the community agencies and representatives to review the determinations outlined within the report.

Senior LAFCO Analyst Sam Martinez presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Mr. Martinez states that the overhead display provides a view of the Joshua Tree Community Plan boundaries adopted by the County in 2007. He points out the Morongo Valley, Homestead Valley, and the Joshua Tree community plan boundaries. He says the community plan boundaries did not take into consideration the service providers in the communities. He notes that the Commission has previously defined the Joshua Tree, Twentynine Palms, Morongo Valley and Yucca Valley communities. He points out on the overhead display the existing Joshua Tree community boundary and the agencies that serve the area, including the Joshua Basin Water District, County Service Area 20, CSA 70 Improvement Zone TV5, and CSA 70 Improvement Zone R19.

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He says that of significance is the portion of Joshua Basin Water District that is outside the community. He says this area was annexed to the District in the mid 1980s and has been within the District and sphere for over 25 years. Mr. Martinez states that the staff recommendation is that the Commission redefine the Joshua Tree community to be that of the current sphere of influence for Joshua Basin Water District, with its proposed modification.

He reports that in February 2010, when the Commission considered the Service Review for the Yucca Valley agencies, there was an area of unsphered territory between the agencies representing Yucca Valley, Joshua Tree and the to be defined Homestead Valley (Landers) communities. As a result of this determination, the Commission is attempting to place the territory into the communities/water agencies that could ultimately serve the area. He points out the boundaries of the Bighorn-Desert View Water Agency, Hi-Desert Water District and Joshua Basin Water District. The Commission approved expansion of the Hi-Desert Water District to include three-quarters of Section 29. LAFCO staff recommends today that the Commission expand the sphere of the Joshua Basin Water District to include the northeast quarter of Section 29. He says that area is the location of a portion of the County property which is a part of the landfill facility. He notes that the staff report incorrectly characterizes the landfill and clarifies on the overhead display the location of the landfill. He says LAFCO staff's recommendation is to expand Joshua Basin Water District's sphere based on the proximity of the District's facilities.

(Commissioner Smith leaves the dais at 9:30 a.m.)

Mr. Martinez states that staff recommends that the community of Joshua Tree be redefined to be that of the Joshua Basin Water District's sphere of influence. He says the Commission's community-by-community sphere of influence policies also directs that all the serving districts have a coterminous sphere. Therefore LAFCO staff recommends that the sphere of CSA 20 be expanded to be the same as the sphere for Joshua Basin Water District. He says that having coterminous spheres points toward the ultimate consolidation of the districts in the future and, in the staff view, the formation of a community services district. Mr. Martinez states that the staff is aware of political realities in the area regarding the formation of a CSD, but believes this is a feasible option to nurture and retain the community for a potential future incorporation. Mr. Martinez states that LAFCO staff recommends affirmation of services provided by the District. The District has requested that its authorized sewer function be expanded for future provision of wastewater collection and treatment. LAFCO staff responded that the scope of expansion would require a separate proposal for Commission consideration to be submitted by the District.

Mr. Martinez points out on the overhead display the existing boundary and sphere of CSA 20. He says there are five street lights that are outside the boundary and sphere of CSA 20, four of which are located along Highway 62 within the City of Twentynine Palms. The recommendation is to transfer those four lights to the City, and to transfer the fifth light to the property owner or that it be turned off. He says staff recommends the Commission affirm the services of the District; however, it was identified that CSA

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20 has not utilized its roads function, so staff recommends the Commission divest CSA 20 of its road function.

He points out on the overhead display the boundaries of the road improvement zone, CSA 70 R19, a portion of which is in the Joshua Tree community and a portion of which is in the City of Twentynine Palms sphere of influence. He notes the recurring trend of road districts' expenditures exceeding the revenue stream and says that is also the case with this district.

He states that CSA 70 Improvement Zone TV5 provides television translator services. As there are five zones that provide TV translator services, a viable option would be the formation of one single-purpose county service area providing television translator service, reducing duplicative administration, budget, and audit costs.

Mr. Martinez summarizes the staff recommendations as outlined in detail in the staff report.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

Chairman Mitzelfelt closes the public hearing.

Commissioner Derry moves approval of the staff recommendation, second by Commissioner Williams. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon (Commissioner Williams voting in his stead)

DISCUSSION ITEMS:

MID-YEAR BUDGET REVIEW FOR FISCAL YEAR 2010-11, FINANCIAL REPORT FOR PERIOD JULY 1 THROUGH DECEMBER 31, 2010

REPORT FROM COMMISSION TRANSITION SUBCOMMITTEE ON EXECUTIVE OFFICER RECRUITMENT – APPROVE STAFF RECOMMENDATION

LAFCO considers Mid-Year Budget Review for Fiscal Year 2010-11, Financial Report for Period July 1 through December 31, 2010, Report from Commission Transition Subcommittee on Executive Officer Recruitment. Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald reports that the documents provided show that LAFCO has received two proposals, three service contracts, and has completed six service reviews through December 30, 2010. She says staff is hopeful to meet projections for receipt of

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proposals for the balance of the fiscal year. She notes that costs related to her retirement have been paid; therefore, going forward salary and benefit costs will be reduced for the balance of the fiscal year. She says the computer systems, including the server, have been upgraded. All memberships, Countywide Cost Allocation Plan costs, and litigation costs accrued from last year have been paid. She says staff projects to receive and pay for standard services and supplies with the only major outstanding items being the recruitment costs for Executive Officer and completion and payment for the audit. With regard to revenues, 99 percent of apportionments have been received with a single special district having its apportionment deducted from the first proceeds of taxes by the Auditor-Controller's office. She refers to the staff report, which identifies the proposals received and anticipated. She asks that the Commission authorize her to extend the auditing contract for an additional three years and explains that CCL has negotiated an extension. Several CCL members have asked that the same auditing firm continue because Los Angeles LAFCO did not do audits for the last three years. Ms. McDonald notes that there is no report to be presented for the Transition Committee.

Ms. McDonald summarizes the staff recommendation as outlined in detail in the staff report.

Chairman Mitzelfelt calls for questions from the Commission.

Commissioner Colven asks if there is any policy regarding changing firms after a number of years. Ms. McDonald says that there is no written policy, but as joint RFPs are done, auditors have changed every three years.

Commissioner Cox asks which agency did not pay its apportionment. Ms. McDonald states it is the Baker Community Services District.

Commissioner Bagley refers to the increase in auditing fees and asks if that is an automatic increase. Ms. McDonald states it is the contractually negotiated change. Over the last three years there has been a four to five percent increase and this year it is seven percent. Commissioner Bagley states that, although the amount is small, he is surprised to see an increase.

Chairman Mitzelfelt asks if the projected potential proposals include the potential for an application for a CSD in Trona. Ms. McDonald states it does not, but she has been contacted with regard to that possibility.

Chairman Mitzelfelt calls for questions or comments from the public. There are none.

Commissioner Curatalo moves approval of the staff recommendation, second by Commissioner Derry. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon (Commissioner Williams voting in his stead).

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**REVIEW AND APPROVAL OF UPDATED AND AMENDED POLICY AND
PROCEDURE MANUAL – APPROVE STAFF RECOMMENDATION TO CONTINUE
TO MAY 18, 2010 HEARING**

**REVIEW AND POSSIBLE ACTION ON ISLAND ANNEXATION POLICIES AND
COMMISSION DIRECTIVES ON IMPLEMENTATION OF ISLAND POLICIES –
APPROVE STAFF RECOMMENDATION TO CONTINUE TO MAY 18, 2010 HEARING**

A review of an Updated and Amended Policy and Procedure Manual and Review and Possible Action on Island Annexation Policies and Commission Directives on Implementation of Island Policies is conducted.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. She says that following the reconsideration and other items related to the San Bernardino islands discussion, staff was directed to take a new look at the Commission's island policy, Policy #29. In addition, at the August workshop, staff was directed to look at the policy and procedure manual as a whole, and to engage in discussion with cities affected by the island policy. She says that in December a letter was sent to all cities that, in staff's view, have islands that would comply with the existing policy declaration. Cities were asked to respond with positions on the definition of "substantially surrounded" and were asked to provide input on the definition of "entire island," as well as their positions related to the Commission's policy and practice to require a city to address its islands when it considers a development-related annexation. She says a deadline date of January 4 for submission of the responses was provided.

As of January 4, four requests for continuance were received, including one from the County Administrative Officer, and one from the cities of Colton, Hesperia and San Bernardino. She says the staff report requests a continuance to the May hearing; however, in light of the projected agenda for May, she requests a continuance to the July hearing.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Commissioner Cox moves approval of the staff recommendation, second by Commissioner Derry. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Bagley, Coleman, Curatalo, Derry, Mitzelfelt, Williams. Noes: None. Abstain: Cox. Absent: McCallon (Commissioner Williams voting in his stead).

(Commissioner Smith returns at 9:50 a.m.)

PENDING LEGISLATION REPORT

Ms. McDonald reports that the state is consumed with budget issues and the transition to the new governor; however, she notes that the Senate Local Government Committee

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has been merged with the Senate Finance Committee. She says that it is hoped that Peter Detweiler will be retained as the chief consultant. She notes that CALAFCO's Legislative Committee meeting is January 28, 2011, and she will report at the next hearing on policy and legislative positions.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

EXECUTIVE OFFICER'S ORAL REPORT

Ms. McDonald reports that the updated "What's So Special About Special Districts" document from the state has been distributed today. In addition, Best Best & Krieger has provided alerts regarding Mello-Roos districts and the use of prevailing wage, as well the coming discussion regarding the future of redevelopment agencies.

She announces that agendas have been projected through July and asks that the Commission add an April 20, 2011 hearing to their calendars for consideration of the draft budget. There is consensus to include an April meeting for budget purposes.

She notes that the CCL Strategic Plan meeting is scheduled for Thursday and Friday, January 20 and 21, 2011. Three commissioners will attend.

COMMISSIONER COMMENTS

Chairman Mitzelfelt calls for comments from the Commission. There are none.

PUBLIC COMMENTS

Chairman Mitzelfelt calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION,
THE HEARING IS ADJOURNED AT 9:55 A.M.**

ATTEST:

ANNA RAEF, Recording Secretary

LOCAL AGENCY FORMATION COMMISSION

BRAD MITZELFELT, Chairman