

**ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF SEPTEMBER 18, 2013**

REGULAR MEETING

9:00 A.M.

SEPTEMBER 18, 2013

PRESENT:

COMMISSIONERS: Jim Bagley
Kimberly Cox, Vice-Chair
James Curatalo, Chair
Robert Lovingood

James Ramos
Robert Smith, Alternate
Diane Williams

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, LAFCO Project Manager
Rebecca Lowery, Clerk to the Commission

ABSENT:

COMMISSIONERS: Larry McCallon
Dawn Rowe, Alternate

Janice Rutherford, Alternate
Sunil Sethi, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 9:04 A.M. – SAN BERNARDINO CITY COUNCIL
CHAMBERS**

Chairman Curatalo 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 August 21, 2013
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of July and August 2013 and Note Cash Receipts
4. Review and Approve Request to County Auditor-Controller/Treasurer/Tax Collector to collect Outstanding City and/or District Apportionment Amounts from First Proceeds of Tax Revenues for Fiscal Year 2013-14

LAFCO considers the items listed under its consent calendar, which includes a Visa

Justification, and a staff report outlining the staff recommendations for the reconciled payments. Also included is the staff report requesting the approval to collect Outstanding City and/or District Apportionment Amounts for Fiscal Year 2013-14. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Executive Officer Kathleen Rollings-McDonald states that no items have been requested to be deferred for discussion.

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

PUBLIC HEARING ITEMS:

ITEM NO. 5. No Items Deferred for Discussion

ITEM NO. 6 CONTINUED HEARING: CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO FOR REVISION TO APPROVED ACTION FOR THE CONSTRUCTION AND USE OF A 29,005 SQ. FT. DINING FACILITY, 10 CABINS EACH WITH A FLOOR AREA OF 1,872 SQ. FT., A SUSPENDED SLIDE AT THE EXISTING LAKE, A NEW 150,000 GALLON WATER TANK THAT WILL REPLACE THE EXISTING 50,000 GALLON TANK, AND A 1,118 SQ. FT. OFFICE FOR AN EXISTING ORGANIZATIONAL CAMP AND ADULT CONFERENCE CENTER FOR A MAXIMUM OF 520 GUESTS AND 55 STAFF MEMBERS ON 73.2 ACRES AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#375; (2) REVIEW AND APPROVAL OF ADDENDUM PREPARED BY LAFCO'S ENVIRONMENTAL CONSULTANT THAT PROVIDES ADDITIONAL INFORMATION TO SUPPLEMENT THE MITIGATED NEGATIVE DECLARATION ADOPTED BY THE COUNTY OF SAN BERNARDINO ON SEPTEMBER 11, 2012 TO ADDRESS EXTENDING SEWER SERVICE TO THE PROJECT, AS CEQA LEAD AGENCY FOR LAFCO SC#375; AND (3) LAFCO SC#375 – RUNNING SPRINGS WATER DISTRICT OUT-OF-AGENCY SERVICE AGREEMENT FOR SEWER SERVICE (O-ONGO INC./PALI MOUNTAIN)

LAFCO conducts a continued public hearing to consider LAFCO SC#375 – Running Springs Water District Out-Of-Agency Service Agreement for Sewer Service(O-Ongo Inc./Pali Mountain).

Assistant Executive Officer Samuel 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. The full recommendation is outlined on pages 1 and 2 of the staff report.

Mr. Martinez states that at the July 17, 2013 hearing, the Commission continued the consideration of LAFCO SC#375 in order to address the environmental assessment of the sewer service extension to the project site. Then, at the August 21, 2013 hearing, the

Commission again continued the consideration of LAFCO SC#375 after it received new information from the Crestline-Lake Arrowhead Water Agency (CLAWA) that outlined new issues that required the property owner/developer to perform related to the proposed sewer pipeline that is intended to cross the CLAWA easement. He says that on August 26, 2013, LAFCO staff and its environmental consultant met with the property owner/developer, the District, and CLAWA representatives to review and discuss the issues that CLAWA had identified and on September 9, 2013, all parties involved met again to resolve the issues that CLAWA had raised.

Mr. Martinez says that the only change to the original staff report dated August 12, 2013 is the acknowledgement of the commitments that the property owner/developer has made to comply with CLAWA's requests as outlined on page three of the staff report and that the Addendum prepared by LAFCO's environmental consultant, Tom Dodson, has been revised to now include a discussion related to the CLAWA easement.

Phillip Butler, Project Manager, states that he would like to thank LAFCO staff for their expertise and assistance in processing this project.

Andy Wexler, Owner, Pali Mountain, states that he would like to thank LAFCO staff for all their endeavors in the completion of this project.

Bryan Thomas, representative for the Running Springs Water District, states that the District has no issues with the project and that the District is in support of the project. He also thanks LAFCO staff for all the hard work they put into the project.

Commissioner Lovingood moves approval of the staff recommendations as outlined on pages 1 and 2 of the staff report, second by Commissioner Cox. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Williams. Noes: None. Abstain: None. Absent: McCallon.

DISCUSSION ITEMS:

ITEM NO. 7. CONSIDERATION OF CONTRACT WITH THE COUNTY INFORMATION SERVICES DEPARTMENT FOR DEVELOPMENT OF A FISCAL INDICATORS PROGRAM FOR USE IN SERVICE REVIEWS

Project Manager Michael Tuerpe 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. Tuerpe states that the Commission had authorized, as part of the FY 12-13 budget, staff to negotiate with Orange LAFCO to acquire access to its Fiscal Indicators and Shared Service programs for implementation by San Bernardino LAFCO. He says that negotiations were suspended by the Executive Officer in June of 2013 due to issues with licensing and other developmental and technical factors. He states that the need for a program still exists in order to track the fiscal indicators during the next cycle of service reviews and to provide the information to the public going forward. He says that LAFCO

staff has been provided with a quote from the County's Information Services Department (ISD) for the cost of development and implementation of such a program.

He says that staff is requesting the approval of the recommendations as listed on page 1 of the staff report.

Commissioner Cox asks staff why the program is needed, to which Executive Officer Kathleen Rollings-McDonald states that the purpose is to be able to present the information to the public through the LAFCO website. A review and update will be done annually on the posted information and the data will be maintained by LAFCO staff.

Commissioner Smith asks if the implementation of the Fiscal Indicators Program will cost the Cities and the Districts any additional monies or work, to which Ms. McDonald states that the collection and posting of the information is a part of the mandatory service review process that is annually budgeted. Ms. McDonald states that the submission of the audit data is already required as a part of this process.

Commissioner Cox states that the implementation of the program will be an added value and ask how much it will cost to maintain.

Ms. McDonald states that maintenance will only require staff time.

Commissioner Cox moves approval of the staff recommendation to approve the Fiscal Indicators project with the County Information Services Department, to return at the October 16, 2013 Hearing to fund the project, and to authorize the Executive Officer to execute the Contract with ISD, Second by Commissioner Williams. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Williams. Noes: None. Abstain: None. Absent: McCallon.

ITEM NO. 8 CONSIDERATION OF RESPONSE TO 2013 GRAND JURY REPORT FINDING RELATED TO THE NEWBERRY COMMUNITY SERVICES DISTRICT AND IMPLEMENTATION OF AN OUT OF CYCLE SERVICE REVIEW

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 states that at the August 21, 2013 hearing, the Commission requested continuance of this item requesting that staff return with more information regarding the cost to conduct an out-of-cycle service review for the Newberry, Yermo and Daggett Community Services Districts. She states that the review of the financial information is outlined on pages 2 and 3 of the staff report and adds that the First District has agreed to fund \$5,000 to cover the costs of noticing the landowners and registered voters in the three areas.

Commissioner Smith states that the Newberry CSD has new board members and perhaps the Commission should take the review in its regular cycle and give the new board an opportunity to address the issues noted by the Grand Jury in regard to the operations of the CSD.

Commissioner Lovingood states that the Commission should move forward with option 2 and take the service review out of cycle.

Commissioner Smith states that if the review is to be taken off-cycle, that the Commission review only the Newberry CSD and leave the Yermo and Daggett CSDs to their regular cycle.

Commissioner Cox ask what the LAFCO recommendation was for the last service review, to which Ms. McDonald responds that it was staff's recommendation that the three agencies be consolidated and that they share a single sphere of influence.

Commissioner Bagley states that the Commission must be responsive to the Grand Jury and that an out-of-cycle review is appropriate.

Commissioner Lovingood moves approval of the staff recommendation to concur with the 2012-13 Grand Jury Final Report Recommendation #15 and approval of Option #2 to commence an off-cycle review of the Newberry CSD as well as the Yermo and Daggett CSDs and to authorize the Executive Officer to submit the response to the Presiding Judge of the Superior Court by September 28, 2013, Second by Commissioner Ramos. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Williams. Noes: None. Abstain: None. Absent: McCallon

INFORMATION ITEMS:

ITEM NO. 9 PENDING LEGISLATION REPORT

Executive Officer Kathleen Rollings-McDonald presents the report for the pending legislation requesting support for submission of a letter to Governor Brown to sign AB 240.

Commissioner Williams moves approval of the direction of the Executive Officer to send a letter from San Bernardino LAFCO requesting that the Governor sign AB 240, Second by Commissioner Cox. Chairman Curatalo calls for opposition to the motion. There being no opposition, the motion passes unanimously with the following vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Williams. Noes: None. Abstain: None. Absent: McCallon.

ITEM NO. 10 EXECUTIVE OFFICER'S ORAL REPORT

Executive Officer Kathleen Rollings-McDonald presents the Executive Officers oral report.

No action is required.

ITEM NO. 11 COMMISSIONER COMMENTS

Comments Provided

No action is required.

ITEM NO. 12 COMMENTS FROM THE PUBLIC

There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION,
THE HEARING IS ADJOURNED AT 10:10 A.M.**

ATTEST:

REBECCA LOWERY
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES CURATALO, Chairman