

**DRAFT - ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF SEPTEMBER 16, 2015**

REGULAR MEETING

9:00 A.M.

SEPTEMBER 16, 2015

PRESENT:

COMMISSIONERS:	Jim Bagley	Robert Lovingood
	Kimberly Cox, Vice-Chair	Larry McCallon
	James Curatalo, Chair	James Ramos
	Steve Farrell, Alternate	Diane Williams

STAFF:

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

ABSENT:

COMMISSIONERS:	Janice Rutherford, Alternate	Sunil Sethi, Alternate
	Acquanetta Warren, Alternate	

9:06 A.M. – CALL TO ORDER – FLAG SALUTE

CONSENT ITEMS – APPROVE STAFF RECOMMENDATION:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

1. Approval of Minutes for Regular Meeting of August 19, 2015
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of July and August 2015 and Note Cash Receipts
4. Consideration of Fee Reduction Request by the Twentynine Palms Water District for its Reorganization Proposal to Annex its Territory to the San Bernardino County Fire Protection District and Divest the District of Fire Powers
5. Consideration of Fee Reduction Request by the Hesperia Fire Protection District for its Reorganization Proposal to Annex its Territory to the San Bernardino County Fire Protection District and Dissolve the Fire Protection District

6. Review and Approve Consultant Contract with Bob Aldrich to Provide Supplemental Staffing During FY 2015-16

LAFCO considered the items listed under its consent calendar, which includes a Visa Justification, ratification of payments as reconciled for the months of July and August, the Consideration of the Fee Reduction Requests by the Twentynine Palms Water District and the Hesperia Fire Protection District and the contract with Bob Aldrich for Supplemental Staffing. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

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

PUBLIC HEARING ITEMS:

ITEM 7. CONSENT ITEMS DEFERRED FOR DISCUSSION

No items deferred for discussion.

ITEM 8. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3192; AND (2) LAFCO 3192 -- SPHERE OF INFLUENCE AMENDMENT FOR THE CHINO BASIN WATER CONSERVATION DISTRICT TO INCLUDE POSSIBLE EXPANSION OR REDUCTION OF SPHERE OF INFLUENCE

Executive Officer Kathleen Rollings-McDonald presents the staff report for LAFCO 3192, 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 gives an overview of the definition contained within Government Code Section 56076 for a sphere of influence and the Commission's policies related to assignment of sphere of influence. She says that the Commission will consider a sphere of influence amendment for the district from amongst three options and will evaluate and make determinations on factors outlined in Government Code Section 56425.

Ms. McDonald says that option 1 would expand the sphere of influence to be coterminous with the sphere of influence of the Inland Empire Utilities Agency; option 2 would expand the sphere of influence to include the whole of the Chino Groundwater Basin in San Bernardino County. She says that while both options 1 and 2 would expand the district's sphere, staff believes that option 1 makes more logical service sense given that Inland Empire Utilities Agency's (IEUA) sphere is a clear and definable boundary; option 2 would require Chino Basin Water Conservation District to initiate sphere of influence expansion proposals with the LAFCO in both Riverside and Los Angeles counties pursuant to the existing Memorandum of Understanding with each of those agencies.

Ms. McDonald says that option 3 would be the designation a “zero” sphere of influence signaling the Commission’s position that a change of organization should take place assigning the district’s service obligations and responsibilities to another agency. She says that given the determinations made in the May 2015 service review, the information outlined in the staff report, and the determinations required for a sphere amendment, LAFCO staff recommends that the Commission choose Option 1 - expansion of the sphere of influence to be coterminous with the sphere of influence of the Inland Empire Utilities Agency. She says that this option would allow the Chino Basin WCD to provide its educational service on a larger scale and would allow the district to participate with other agencies for stormwater capture activities outside of its boundary but within its sphere of influence through contracts with overlying agencies. It would also support the Commission’s position that the ultimate unification of the agencies would provide the greatest benefit.

Michael Tuerpe, Project Manager, reviews the four factors of determination required by Government Code Section 56425, which will support staff’s recommendations. He reviews the Land Use Vicinity Map and says that as identified by the Department of Water Resources (DWR), the Chino Basin has been designated as a High Priority basin and the Cucamonga Basin as a Medium Priority basin for future monitoring. Both share similar population characteristics and have been impacted from the increasing population. He says that LAFCO uses a 30-year horizon for its population projections and that the subject area population is expected to significantly increase. He says that for water education, the Chino Basin WCD operates a demonstration garden and opened its renovated Water Conservation Center Campus in 2014 and with the expansion of the sphere of influence more residents will have the opportunity to be educated in water conservation. He says that the economic communities of interest are vast and varied and include heavy business, commercial, education and industrial areas, as well as an international airport.

Mr. Tuerpe states that when adopting or amending a sphere of influence for a special district, the Commission is required to establish the nature, location, and extent of any functions or classes of services provided by the district. He says that LAFCO staff recommends that the Commission affirm the service description for Chino Basin WCD as identified in the LAFCO Policy and Procedure Manual, with no changes to existing powers.

Mr. Tuerpe says that with regard to the environmental considerations, the Commission’s environmental consultant, Tom Dodson, has recommended that LAFCO 3192 is statutorily exempt from the California Environmental Quality Act and that a copy of his analysis is included as an attachment to the staff report.

Executive Officer Kathleen Rollings-McDonald says that on September 9 staff provided to the Commission a copy of the supplemental report for LAFCO 3192 related to its existing out of agency service contracts. She says these contracts are between two public agencies, have been in existence for some time, and that the sphere of influence amendment proposed, which is an outgrowth of the May 2015 service review, provides a mechanism to recognize that these contracts exist. In addition, she notes that the report determines the existing contracts are exempt as outlined in Section 56133(e), they will be recognized by the filing of the report with the Commission, and that no further consideration is necessary. She says that pursuant to Commission policy, any and all future contracts for service within the District’s sphere of

influence would be administratively reviewed without requirement for placement on a Commission agenda as the service to be provided would not facilitate development.

Ms. McDonald concludes and reviews staff's recommendations and says that through the assignment of a sphere of influence, services can be provided through the west end of the valley.

Commissioner Cox says that this is an opportune time for the district and asks if additional monies will be needed. Ms. McDonald say that no additional monies will be utilized as a sphere amendment is not a jurisdictional change so there is no exchange of revenue. Ms. Cox ask if this amendment will change the district's role with the Watermaster; to which Ms. McDonald responds that the sphere of influence amendment will make no change to their current role. Ms. Cox says that the work the district does is so important and that she would not like to see them inhibited in expanding that role.

Commissioner Bagley says that the Chino Basin WCD has an extraordinary facility, however, he has concerns regarding longevity of the district which was created in the 1940's and continues to reinvent itself with the times. He says he always looks at if an agency is still in the best interest of the public, but for now, is in support of staff's recommendation for option one.

Kati Parker, President, Chino Basin Water Conservation District, says that the district supports staff recommendations for the sphere and gives her thanks to staff for their work. She says that the sphere is consistent with the districts existing efforts and activities and that new area would expand the educational opportunities and would allow more schools to participate in the districts programs.

Commissioner Bagley moves approval of staff recommendations for LAFCO 3192, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, Williams. Noes: None. Abstain: None. Absent: None.

DISCUSSION ITEMS:

ITEM 9 LAFCO STAFF REQUEST REGARDING SERVICE REVIEW REQUIRED BY THE PROPOSED SPHERE OF INFLUENCE AMENDMENTS FOR THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

Executive Officer Kathleen Rollings-McDonald presents the staff report for agenda item 9, 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 says that three significant proposals regarding fire protection are anticipated to be received by staff for processing by July 1, 2016. She says that due to the type of actions being submitted, service reviews are not required under Commission Policy. Staff is requesting that the Commission determine that it will not be requiring a service review for the sphere of influence amendments proposed for the San Bernardino County Fire Protection District and make the determination that the prior for staff be to process these proposals first, other

proposals for change of organization next and the proposals for ongoing service reviews last.

Commissioner Cox asks if there is the ability to reach out to other agencies like Adelanto and inform them of the possibility of the change for fire protection. Ms. McDonald says that County Fire has had discussions with the city and that some alternatives are being considered.

Commissioner Bagley says that there are agencies facing economic crisis and that this is a good costs savings option for them.

Commissioner Ramos moves to approve staff recommendations, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, McCallon, Ramos, Williams. Noes: None. Abstain: None. Absent: None.

INFORMATION ITEMS:

ITEM 10 LEGISLATIVE UPDATE REPORT

Executive Officer Kathleen Rollings-McDonald presents the Legislative 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. Rollings-McDonald states that she has provided for the Commission a copy of the CALAFCO Legislative Update which includes information regarding the current status of bills determined to be of importance to LAFCO. She says that SB 552 has been stalled making SB 88, the Drought Trailer Bill the letter of the law until the next legislative cycle. She says that the upcoming issues to review are drought related and that the legislature still has interest in the mutual water companies; open data, transparency issues, and infrastructure needs are also currently of interest to the legislature. She says that letters to the Governor have been mailed; AB 402 Dodd – Request to Sign; AB 851 Mayes – Request to Sign; and that copies have been provided to the Commission.

Commissioner Lovingood says that he is pleased with the support received from the legislative delegates. Ms. McDonald says that at the CALAFCO Annual Conference, Chad Mayes was honored as the CALAFCO Legislator of the year for all of his work on AB 851 and Samuel Martinez, Assistant Executive Officer, was honored as Outstanding LAFCO Professional. She says that staff has also provided a copy of the publication “The Sphere” and a copy of the save the date information for next year’s annual conference to be held October 26-18, 2016 in Santa Barbara.

Ms. McDonald says that she has provided a decision letter from the Bureau of Land Management related to the Cemax Mine in Santa Clarita which revokes their contract in Santa Clarita and assess penalties for failure to pursue contracts in a timely manner and will hopefully keep agencies aware of the importance of preserving the mineral resource elements, open space and agriculture.

ITEM 11 EXECUTIVE OFFICER'S ORAL REPORT:

Executive Officer Kathleen Rollings-McDonald says that the agendas will become laden with more items in the coming months and that the hearings will be lengthy and complex.

Clark Alsop, the Commission’s Legal Counsel, says that a letter of support for the Chino Basin Water Conservation District expansion has also been provided to the Commission.

ITEM 12 COMMISSIONER COMMENTS

Commissioner Cox says that she is please that the Bureau of Land Management has resolved the Cemax issue and that she had meet with legislators in the past to on this issue with regard to the high desert. She says that she has been asked by the CSDA to participate in a Special District formation group to create a guide for special districts and that she will be co-authoring the chapter on post LAFCO processes.

Commissioner Bagley says that he enjoyed the CALAFCO Annual Conference and offers his congratulations to Samuel Martinez and to Jim Curatalo says that he is proud to be part of the LAFCO organization. Ms. McDonald says that Mr. Curatalo was nominated the vice-chair of the Board of Directors of CALAFCO.

Chairman Curatalo says that he would like to thank the Commission and Staff for the continued support to CALAFCO and that it is easy to represent San Bernardino County with the vast amount of support and involvement provided. He thanks Commissioners Lovingood and Ramos for their financial sponsorship of the Annual Conference.

Commissioner Lovingood says that he will continue to support the preservation of agriculture and natural resources in the desert.

Chairman Curatalo says that at the Annual Conference, San Bernardino LAFCO won two awards for their wine entries provided by the J. Filippi Winery in the beer and wine competition.

Commissioner Farrell says that the Annual Conference was very enjoyable and informative and he was proud to be a part of the San Bernardino Commission.

Ms. McDonald introduces Bob Aldrich, newly contracted LAFCO support staff member.

ITEM 13 COMMENTS FROM THE PUBLIC

No comments.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION THE HEARING IS ADJOURNED AT 10:00 A.M.

ATTEST:

REBECCA LOWERY
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES CURATALO, Chairman