

**DRAFT ACTION MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
HEARING OF MAY 17, 2017**

REGULAR MEETING

9:00 A.M.

May 17, 2017

PRESENT:

COMMISSIONERS: Jim Bagley
Kimberly Cox, Chair
Jim Curatalo
Steve Farrell, Alternate
Acquanetta Warren
Ryan S. McEachron, Alternate
Diane Williams

STAFF: Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, Project Manager
Jeffrey Lum, LAFCO Analyst
La Trici Jones, Clerk to the Commission
Bob Aldrich, LAFCO Consultant

ABSENT: Robert Lovingood
Larry McCallon
James Ramos, Vice Chair
Janice Rutherford, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 9:04 A.M. – SAN BERNARDINO SANTA FE
DEPOT**

Chair Cox calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

A. PUBLIC COMMENT

Chair Cox asks for comments from the public regarding closed session.

Jim Nunn with the Highland Homeowners Association provides five copies of a Public Records Act Request for the Commission and makes comments on the budget approval.

**B. CONVENE CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION – SUPER CHIEF ROOM**

10:05 A.M. – CALL TO ORDER REGULAR SESSION

ITEM 1. ANNOUNCEMENT OF ACTIONS FROM CLOSED SESSION

Chair Cox states that the Commission met in closed session and asks for Counsel to report. Clark Alsop, Legal Counsel to the Commission, states that the Commission met in closed session to discuss anticipated litigation, but no reportable action was taken.

ANNOUNCEMENT OF CONTRIBUTIONS

Chair Cox requests that those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past 12 months to any member of the Commission to come forward.

There are none.

ITEM 2. Swear in Regular (James Ramos) and Alternate (Janice Rutherford) Supervisorial Commissioners (Item Deferred)

Executive Officer Kathleen Rollings-McDonald states that Supervisorial Commissioners Ramos and Rutherford were unable to be present at the hearing; item deferred.

ITEM 3. Selection of Chair and Vice Chair – Chair Cox and Vice Chair Ramos Elected

Chair Cox turns the conduct of the hearing over to Executive Officer Kathleen Rollings-McDonald to conduct selection of Chair and Vice Chair for the upcoming year.

Commissioner Curatalo nominates current Chair Cox for a second term, seconded by Commissioner Warren. No other nominations were provided.

Executive Officer Rollings-McDonald calls for a motion to close nominations.

Commissioner Williams moves to close nominations for Chair, seconded by Commissioner Curatalo.

There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams and Warren. Noes: None. Abstain: None. Absent: Ramos, McCallon (Warren voting in his stead), and Lovingood.

Executive Officer Rollings-McDonald opens the nominations for Vice Chair. She states that a letter has been provided on the behalf of Commissioner Ramos in respect to his absence and his continuing interest in serving as the Vice Chair.

Commissioner Curatalo nominates current Vice-Chair Ramos for a second term, seconded by Commissioner Warren. No other nominations were provided.

Executive Officer Rollings-McDonald calls for a motion to close nominations.

Commissioner Curatalo motions to close the nominations for Vice Chair, seconded by Commissioner Warren.

There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams and Warren. Noes: None. Abstain: None. Absent: Ramos, McCallon (Warren voting in his stead), and Lovingood.

CONSENT ITEMS:

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.

ITEM 4. Approval of Minutes for Regular Meeting of April 17, 2017

ITEM 5. Approval of Executive Officer's Expense Report

ITEM 6. Ratify Payments as Reconciled for Month of April 2017 and Note Cash Receipts

Commissioner Warren moves approval of the Consent Items, second by Commissioner Williams. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams and Warren. Noes: None. Abstain: None. Absent: Ramos, McCallon (Warren voting in his stead), and Lovingood.

PUBLIC HEARING ITEMS

ITEM 7. CONSENT ITEMS DEFERRED FOR DISCUSSION:

There are none.

ITEM 8. Consideration of: (1) Review of Mitigated Negative Declaration Prepared by the City of Redlands for Annexation No. 92, General Plan Amendment No. 134, Zone Change No. 450, and Tentative Tract Map No. 19956 for a total of approximately 20.04 Acres as CEQA Responsible Agency for LAFCO 3195; and (2) LAFCO 3195 Reorganization to include City of Redlands Annexation No. 92 and Detachments from San Bernardino County Fire Protection District, its Valley Service Zone, County Service Area 70 and its Zone P-7 (Jacinto Tract) – Staff recommendation approved in its entirety

LAFCO conducts a public hearing to consider the proposed reorganization. Notice of the hearing was advertised as required by law through publication in *The Sun*, a

newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

Assistant Executive Officer Samuel Martinez states that in July 2015 the property owners submitted an application for reorganization to annex two parcels totaling 20.04 acres of land to the City of Redlands. Mr. Martinez states that this proposal includes the detachment from the San Bernardino County Fire Protection District and its Valley Service Zone as well as the detachment from County Service Area 70 and its Zone P-7. Mr. Martinez states that the primary reason for this annexation request is to receive municipal services; primarily water and sewer service from the City of Redlands for a proposed residential development. Mr. Martinez states that per the City's Measure U, the delivery of water and sewer service to the project is contingent upon annexation.

Mr. Martinez states that it is LAFCO staff's position that the reorganization proposal provides for a logical boundary since it includes the entire block along Wabash Avenue between Citrus Avenue and the existing boundaries of the City along Highland Avenue, which is an easily identifiable boundary for service delivery. He summarizes the County's and City's existing land use designation and the City's pre-zoning designation for the reorganization area and discusses the conversion of prime farmland to non-agricultural use. He also summarizes the existing and proposed service providers in the area and notes that the City would like to include LAFCO 3195 in the Automatic Aid Agreement between the City and County Fire where County Fire provides "first response" in emergency and non-emergency calls.

Mr. Martinez states that the City of Redlands prepared an environmental assessment and Mitigated Negative Declaration for the proposed annexation and pre-zoning of the project (Tentative Tract Map No. 19956) which has been reviewed by the Commission's environmental consultant, Tom Dodson of Dodson and Associates. Mr. Martinez notes that Mr. Dodson has determined that the City's environmental documents are adequate for Commission's use as a responsible agency under CEQA.

Mr. Martinez states that this reorganization is legally uninhabited and has 100% landowner consent to the annexation. He states that if none of the affected agencies have submitted written opposition to a waiver of protest proceedings; then staff recommends that the proposal be approved, that protest proceedings be waived, and the Commission direct the Executive Officer to complete the reorganization following a completion of the 30-day mandatory reconsideration period.

Mr. Martinez recommends the Commission approve LAFCO 3195 with the condition that completion shall be held in abeyance for a period not to exceed six months, to allow the City of Redlands and the San Bernardino County Fire Protection District take the actions necessary to amend the Automatic Aid Agreement to include LAFCO 3195. Failure to submit the signed amended agreement within six months will terminate LAFCO 3195.

Commissioner Warren leaves the hearing at 11:00 a.m.

Chair Cox opens the public hearing and asks for comments.

Pat Meyer; representative of the property owners, states that they are 100% in support of this LAFCO annexation and staff's recommendation.

Angie De La Rosa states that she has been a resident of Mentone since 2008. She is in opposition of the annexation.

John Bonson states that he lives in Mentone and is against the annexation to the City of Redlands.

Leonette DeMuro states that she has lived in the Mentone area for 70 years. She opposes the annexation because she believes Measure U is illegal.

Carol Ann Allred states that she lives west of the proposed annexation, and she is the PTA president for Crafton Elementary school. She is in opposition of the annexation.

Joyce Rapp states that she is a retired attorney and believes that Measure U is unconstitutional. She is in opposition of LAFCO 3195.

Stephen Rogers states that he is speaking on behalf of the Mentone Area Community Association. He is in opposition of the annexation.

Chair Cox closes the public hearing and requests comments from the Commission.

Commissioner Farrell requests clarification on the agricultural mitigation requirement. He asks if the Commission has its own agriculture mitigation requirement or does LAFCO accept Redlands mitigation formula; to which Executive Officer Rollings-McDonald responds that the Commission does not have a specific mitigation policy related to conversion where mitigation lands are purchased. She states that Mr. Dodson can respond to questions regarding the City of Redlands environmental assessment in that regard.

Tom Dodson, LAFCO's environmental consultant, states that the mitigation is a result of changes to CEQA ten years ago. He states that this document was submitted to the Department of Conservation at the state level and is a fair balance in essence to loss.

Commissioner Curatalo asks LAFCO Legal Counsel Clark Alsop if there are any legal issues the Commission should be concerned with; to which Mr. Alsop responds that he does not see any. He states that as far as he is concerned, the Commission has been presented with a legal application and the Commission can make a decision for it, against it or to modify it.

Commissioner Bagley states that he is sympathetic to the concerns of the people of Mentone. He states that what the Commission has before them is an annexation for services. He also states that Mentone is getting to the population threshold where the best choice would be to incorporate as its own community.

Commission Curatalo makes a motion to approve LAFCO 3195 as recommended by staff.

Second by Commissioner Williams.

There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, and Williams. Noes: None. Abstain: None. Absent: Ramos, McCallon, and Lovingood.

ITEM 9. Review and Approval of Final Budget for FY 2017-18 and Apportionment for Independent Special Districts, Cities and the County – Approved as Presented

LAFCO conducts a public hearing to consider the adoption of its Final Budget for Fiscal Year 2017-18. Notice of the hearing was advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.

Executive Officer McDonald presents the Staff Report and states that the Final Budget and Apportionment was circulated for review and comment to the County, each of the 24 cities and the 52 independent special districts on April 20, 2017. As of the date of the staff report, no comments had been received. Ms. Rollings-McDonald states that following publication the Commission did receive comments on the adoption which were provided to Commission members and posted on the website.

Ms. Rollings-McDonald states that as part of the preliminary budget, staff identified through the mid-year and the third-quarter report that there may be the need at this hearing to make accommodations for costs associated with the renovation and move to the Santa Fe Depot Harvey House location. However, based on construction schedule, the bulk of the costs will occur next year. The funds allocated for the renovation and move costs within the Fiscal Year 2016-17 budget unexpended will be carried over to Fiscal Year 2017-18. Ms. Rollings-McDonald states that these are being allocated in the FY 2017/18 budget.

Ms. Rollings-McDonald states that the Staff's recommendation is that the Commission adopt the final budget as presented with the apportionment of LAFCO's net costs based upon the Auditor's current information, and that the Commission direct the Executive Officer to submit to the County Auditor the adopted final budget and request the apportionment take place as required by Government Section Code 53681.

Chair Cox states that she is concerned about the escalating costs for retirement benefits. She states that as staff prepares future budgets, the Commission be kept apprised of any further changes. Ms. Rollings-McDonald states that as of May 10, 2017 a new letter from SBCERA was received which changed the projections. This letter states that for the 2022-23 fiscal year, the employer cost is projected to be 40.86%.

Chair Cox opens the public hearing to receive comments.

There are none.

Chair Cox closes the public hearing and asks the Commission for further discussion.

Commissioner Curatalo states that the entire Commission has been provided this information while official business has kept some Commissioners from attending the hearing today. Commissioner Curatalo asks Ms. Rollings-McDonald if she has received any concerns from any of the absent Commissioners on the budget; to which Ms. Rollings-McDonalds states that she has not.

Commissioner Williams moves approval of the Staff's recommendation, seconded by Commissioner Curatalo. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams. Noes: None. Abstain: None. Absent: Ramos, McCallon and Lovingood

DISCUSSION ITEMS:

10. Status Report Update on the City of Rialto's Initiation of its Five Northern Islands as required by Action Taken by the Commission on May 18, 2016

Assistant Executive Officer Martinez makes the presentation and states that this is the second update of the City of Rialto's commitment to initiate its five north Rialto islands.

Mr. Martinez reiterates staff's concerns on the City's timeline from the previous update regarding staff's expectation that the City would provide LAFCO staff the opportunity to review the "Annexation Myths" fact sheet before it was provided to the public and that the City would invite LAFCO staff to participate in its community outreach program.

Mr. Martinez states that since the last update presented at the November 2016 hearing, LAFCO staff has not heard back from the City of Rialto regarding their plan or progress related to initiating the islands. Mr. Martinez states that on March 15, 2017, LAFCO staff requested that City staff provide information related to the progress on what has been accomplished regarding the City's commitment to initiate the five North Rialto Islands as an update needed to be provided to the Commission at the May hearing. Mr. Martinez states that LAFCO staff did not receive a response from the City.

Mr. Martinez states thereafter staff received notification that the City already conducted a community meeting without LAFCO staff present, and that a Planning Commission meeting was scheduled for April 26. He identifies that LAFCO staff attended the Planning Commission meeting and provided comments outlining concerns regarding the process to date. The Planning Commission approve the recommendations outlined in its staff report, which were to: receive public comment, direct staff to prepare a written response to all the comments, schedule another community meeting together with LAFCO and the County's Fifth Supervisorial District, and continue the item to its July 12, 2017 Planning Commission meeting.

Mr. Martinez also indicates that a number of the City's "Frequently Asked Questions" brochure were circulated—one that was earlier posted on the City's website, another that was supposedly provided during the community meeting, and one that was handed out during the Planning Commission meeting—but none of which were provided to LAFCO staff for review.

Mr. Martinez states that LAFCO staff will provide its comments on the City's environmental assessment presented to the Planning Commission, and that LAFCO staff will participate in the new community meeting process.

In conclusion, Mr. Martinez states that on June 14, 2016 the City of Rialto adopted a resolution affirming its commitment to annex its five North Rialto islands within one year of approval of LAFCO 3201. Mr. Martinez states that staff continues to question whether the City will be able to fulfill their commitment. Mr. Martinez states that the staff recommends that the Commission receive and file the update.

Chair Cox asks the Commission if there are any questions of staff.

Commissioner Farrell states that he is concerned with Mr. Martinez's statement that the City may not be able to fulfill their commitment and have to repeat task #6 and so forth. Mr. Martinez responds that there remain questions on the timing and completion of the process, but City staff has indicated that the City will likely submit their annexation although the timing is unclear at this point.

Mr. Martinez states that there are representatives from the City in attendance.

Ms. Gina Gibson, City Planner for the City of Rialto, states that the City has been focused with meeting the recommendations of the Commission and answering questions from the community. She states that there has been an overwhelming response from the community, and they are planning another community meeting.

Chair Cox asks if there are any questions for the City representative. There are none.

Chair Cox calls for a motion to accept the staff recommendation.

A motion is made by Commissioner Curatalo, and seconded by Commissioner Williams to approve staff's recommendation. There being no opposition, the motion passes with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams. Noes: None. Abstain: None. Absent: Ramos, McCallon, and Lovingood.

Commissioner McEachron leaves the hearing at 11:32 a.m.

ITEM 11. LEGISLATIVE UPDATE REPORT

Executive Officer Rollings-McDonald states that there was a Legislative Committee meeting in Sacramento on May 12, 2017. She states that the Committee had the opportunity to review the status on numerous Bills:

AB 464- Gallagher; CALAFCO sponsored bill: relates to Plans for Service and is moving forward.

AB 979 – Lackey; jointly sponsored legislation with CSDA and CALAFCO to streamline the seating of Special Districts representatives; the bill is moving forward.

Ms. McDonald states that other CALAFCO bills of interest include:

SB 365 - Senator Dodd; this bill proposes the creation of Recreation and Parks Districts through the legislative process and not the LAFCO process. She states that CALAFCO has taken the position of oppose unless amended.

SB 448 – Wieckowski; addresses inactive districts and its outgrowth from the Little Hoover Commission. She states that last month CALAFCO took the position of oppose unless amended. CALAFCO and other stakeholders continue to work with the author.

SB 634 – Wilk; discusses the creation of a new Water District; CALAFCO has taken a position of oppose unless amended.

Executive Officer Rollings-McDonald states that there is a conference call in June with CALAFCO regarding a Little Hoover Commission update and that she will keep the Commission apprised.

Chair Cox asks the Commission for comments. There are none.

12. EXECUTIVE OFFICER'S ORAL REPORT

a. Update on Relocation/Renovation Progress at Santa Fe Depot

Executive Officer Rollings-McDonald states that great progress is being made as we move forward with the move. She states that we do not believe that we will be moving on July 1; but our current landlord is willing to work with us.

b. New Proposals Received

Executive Officer Rollings-McDonald states that we have received a proposal from the Cucamonga Valley Water District for detachments to address issues that were identified during the last service review.

Ms. Rollings McDonald states that we are still waiting for the materials to circulate for the Hesperia Fire reorganization.

Chair Cox asks if there are any questions for staff. There are none.

13. COMMISSIONER COMMENTS

Chair Cox states that she would like to thank the Commission for another year to serve as the Chair, and she will do her best to do a good job.

14. COMMENTS FROM THE PUBLIC

Chair Cox asks if there is anyone wishing to address the Commission. There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 11:03 A.M.

ATTEST:

LA TRICI JONES
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

KIMBERLY COX, Chair

DRAFT