

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

REGULAR MEETING

9:00 A.M.

JUNE 21, 2006

PRESENT:

COMMISSIONERS:	Bob Colven, Vice Chairman	Richard P. Pearson
	James V. Curatalo, Alternate	A.R. "Tony" Sedano, Alternate
	Josie Gonzales, Alternate	Diane Williams
	Dennis Hansberger	

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark H. Alsop, Legal Counsel
Samuel Martinez, LAFCO Analyst
Michael Tuerpe, LAFCO Analyst
Debby Chamberlin, Clerk to the Commission

ABSENT:

COMMISSIONERS:	Paul Biane, Chairman	Larry McCallon
	Kimberly Cox	Mark Nuaimi

9:00 A.M. – CONVENE CLOSED SESSION OF THE LOCAL AGENCY FORMATION COMMISSION –
Conference Room, LAFCO Staff Office, 175 West Fifth Street, Second Floor, San Bernardino.

Conference with Legal Counsel – Existing Litigation (Government Code Section 54956.9(a)):
Center for Biological Diversity v. Local Agency Formation Commission, Case No. SCVSS136990

9:12 A.M. – RECONVENE TO REGULAR MEETING OF THE LOCAL AGENCY FORMATION
COMMISSION – Civic Center Hearing Chambers, 175 West Fifth Street, Second Floor, San Bernardino.

REGULAR SESSION - CALL TO ORDER – 9:12 A.M.

In the absence of Chairman Biane, Vice Chairman Colven assumes the Chair. He calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

Vice Chairman Colven announces that there was no reportable action taken in Closed Session. He requests 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 twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There are none.

APPROVAL OF MINUTES FOR REGULAR MEETING OF MAY 17, 2006 – MINUTES APPROVED

Vice Chairman Colven calls for any corrections, additions, or deletions to the minutes. There are none. Commissioner Pearson moves approval of the minutes as presented, seconded by Commissioner Curatalo. Vice Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Curatalo, Hansberger, Pearson, Williams. Noes: None. Abstain: Gonzales. Absent: Biane, Cox (Curatalo voting in her stead), McCallon (Williams voting in his stead), Nuaimi.

CONSENT ITEMS

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

LAFCO considers the items listed under its consent calendar. Vice Chairman Colven states that the consent calendar consists of:

- (1) approval of the Executive Officer's expense report;
- (2) approval of payments as reconciled for the month of May 2006 and noting cash receipts;
- (3) consideration of LAFCO 3051 – Reorganization to Include Annexation to Running Springs Water District and Detachment from County Service Area 38 (Mission Aviation Fellowship);
- (4) consideration of LAFCO 3054 – Sphere of Influence Review (Expansion) for Bighorn-Desert View Water Agency; and
- (5) consideration of LAFCO 3055 – Bighorn-Desert View Water Agency Annexation (2005 Annexation Project).

A Travel Claim, which Executive Officer Kathleen Rollings-McDonald reports was not a part of the Agenda Packets but has been provided to the Commission this morning for consideration, and a Visa Justification for the Executive Officer's expense report, as well as staff reports outlining the staff recommendations for the reconciled payments and each of the other consent items have been prepared and a copy of each is on file in the LAFCO office and is made a part of the record by reference herein. The Notice of Hearing for LAFCOs 3051, 3054 and 3055 were advertised as required by law through publication in The Sun, a newspaper of general circulation. In addition, LAFCO 3051 was advertised in the Alpenhorn News and LAFCOs 3054 and 3055 were advertised in the Hi-Desert Star, both newspapers of general circulation in the areas. Individual mailed notice of the three proposals was provided to affected and interested agencies, County departments, those agencies and individuals requesting mailed notice and landowners and registered voters pursuant to State law and Commission policy.

Vice Chairman Colven asks whether there is anyone present wishing to discuss any of the consent calendar items. There is no one.

Commissioner Pearson moves approval of the staff recommendations for the consent calendar items, seconded by Commissioner Curatalo. Vice Chairman Colven calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Colven, Curatalo, Gonzales, Hansberger, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane (Gonzales voting in his stead), Cox (Curatalo voting in her stead), McCallon (Williams voting in his stead), Nuaimi.

DISCUSSION ITEMS

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3007; AND (2) LAFCO 3007 – DISSOLUTION OF PARKER DAM RECREATION AND PARK DISTRICT – CONTINUED TO AUGUST 16, 2006

LAFCO conducts a public hearing to consider the dissolution of Parker Dam Recreation and Park District (hereinafter referred to as "the District"). Notice of this hearing was advertised as required by law through publication of one-eighth page legal ads in The Sun and the Parker Pioneer, newspapers of general circulation in the area. Individual mailed notice was provided to affected and interested agencies, County departments and those individuals and agencies requesting mailed notice.

LAFCO Analyst Michael Tuerpe presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Tuerpe states that staff is recommending that this item be continued to the August 16, 2006 hearing based on newly-discovered information that warrants investigation. First, he says District files from 2002, recently made available to staff, indicate there is a bank account in a Wells Fargo Bank in Parker, Arizona in the name of the District and staff

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

needs further time to investigate the status and history of this account. Second, he says a review of prior audits indicates the District purchased a fixed asset in 1991, identified as an advertisement sign, and paid rent for the placement of the sign from 1991 to 1994. He says the former District Coordinator recently provided information to staff that the sign is located at the intersection of State Highway 62 and U.S. Highway 95, about 20 miles outside the District's boundaries. He says staff needs more time to investigate the status and history of the sign.

Commissioner Williams comments that she would like to have a narrative regarding the justification for the sign. Mr. Tuerpe says staff is attempting to discover that and has had contact with the former District Coordinator.

Vice Chairman Colven asks whether there is anyone present wishing to discuss this item. There is no one.

Commissioner Hansberger moves approval of staff recommendation for the continuance to August 16, 2006, seconded by Commissioner Williams. Vice Chairman Colven calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Colven, Curatalo, Gonzales, Hansberger, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane (Gonzales voting in his stead), Cox (Curatalo voting in her stead), McCallon (Williams voting in his stead), Nuaimi.

CONSIDERATION OF: (1) NOTICE OF INTENT TO ADOPT NEGATIVE DECLARATION FOR LAFCO 2996; AND (2) LAFCO 2996 – REORGANIZATION TO INCLUDE FORMATION OF HELENDALE COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 70 IMPROVEMENT ZONES B AND C – APPROVE STAFF RECOMMENDATION WITH MODIFIED BOUNDARY TO EXCLUDE 10+/- SQUARE MILES WITHIN THE SOUTHEAST PORTION OF THE BOUNDARY OUTSIDE THE EXISTING HELENDALE SCHOOL DISTRICT BOUNDARY

LAFCO conducts a public hearing to consider a proposal to form a Community Services District (hereinafter CSD) for territory identified as the Helendale community. The area of consideration, as modified by the Commission at its April 19 hearing, is generally defined as encompassing 66,020+/- acres (103+/- square miles) located north of the Cities of Adelanto and Victorville and their spheres of influence, east of section lines approximately one mile west of Highway 395 and northeast of the Bureau of Land Management (BLM) El Mirage study area, southwest of the City of Barstow sphere of influence and the community of Hinkley, and west of section lines which are west of Interstate 15. Notice of this hearing was advertised as required by law through publication of one-eighth page legal ads in The Sun and the Daily Press, newspapers of general circulation in the area. Individual mailed notice was provided to affected and interested agencies, County departments and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO and is made a part of the record by reference herein. Ms. McDonald states that in April the Commission approved the boundary to be studied as shown on the map displayed. She provides a background of the history of the Helendale community and its resort community of Silver Lakes. She says the Commission will evaluate the formation of a new form of government under CSD law with six services; that two County Service Area (CSA) improvement zones will be dissolved—CSA 70 Improvement Zone B, which provides streetlighting and wastewater service, and Improvement Zone C, which provides domestic water service. As outlined in the staff report, she discusses the timing barrier the Commission is up against, stating that it must take action today in order for the proposed formation to be on the November 7, 2006 general election.

Ms. McDonald says that State law requires the Commission in making its determinations to look at several issues which are outlined on page 6 of the staff report. She discusses the boundaries, stating that at the April hearing, the Commission asked that three additional issues be responded to today: (1) that an outline of the relationship of school district boundaries in the area be provided, with a discussion of the effect of the formation on those entities; (2) whether this boundary represents a sustainable boundary for a potential city in the area for the future; and (3) that an outline of the public lands included

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

with the proposal boundary and the effect of this formation on these land holdings be provided. A “flyover” of the proposed CSD is presented to outline the location of the CSD boundaries as they relate to various other entities. She points out the boundaries of the Helendale School District and says the proposed CSD extends west one mile outside that boundary into the Adelanto Elementary School District and that it extends southerly of that boundary into the Oro Grande Elementary School District, as shown on the map on page 9 of the staff report. She says there has been concern about the long-term effect of providing after-school services but she points out that the CSD wants to provide park and recreation services to look at programs to be provided along with the School Districts to constituents in the area. As outlined in the staff report, she discusses that there are two specific public lands in the area, most managed by the BLM, with minor amounts shown for the Army Corps of Engineers. She reports that the BLM has for a number of years proposed to consolidate its land holdings into a more cohesive pattern of ownership and says that it has designated several types of lands in the North County area to be proposed as retention, consolidation and disposal zones.

Based upon the determinations outlined in the staff report, Ms. McDonald says it is staff’s position that the modified boundaries evaluated: (1) represent the community of interest for a community of Helendale; (2) represent a reasonable service boundary for current and future growth within the Helendale community; (3) represent an efficient service delivery pattern for the full range of services contemplated; and (4) do not infringe upon the established sphere of influence for any agency.

Ms. McDonald discusses the financial considerations and states that the Commission is required to make a determination regarding the property tax to be transferred to the new agency, pursuant to Government Code Section 56810. As outlined in the staff report, she reports that CSA 70 Zone B receives approximately \$90,000 in property tax revenues which will be transferred to the CSD. She notes that audit reports from an outside audit firm for Zone C identified property tax revenues for that District; but she says the County’s Property Tax Division of the Auditor’s Office has indicated that Zone C does not receive a share of the general property tax revenues. She says a condition of approval has been written to indicate that all property tax revenues attributable to either Zone B or Zone C will be transferred to the successor agency to cover that issue. She reports that information received from the Special Districts Department indicates that they believe the property tax revenues shown for Zone C were in error and were connection fees allocated to a wrong account.

Ms. McDonald discusses the chart on page 13 of the staff report which provides a comparison of revenues and expenditures from three separate sources—the audited revenues and expenditures for CSA 70 Zones B and C for Fiscal Years 2003-04 and 2004-05 prepared by an outside audit firm, the County’s adopted Budget for Fiscal Year 2005-06 and its Proposed Budget for Fiscal Year 2006-07 for CSA 70 Zones B and C prepared by County Special Districts’ staff, anticipated to be adopted on June 27, 2006, and the Task Force’s projections for the first three years of operation for Fiscal Years 2006-07 through 2008-09. She points out that there is a fund balance of one million dollars in the adopted combined budgets for Zones B and C and a fund balance anticipated for the current year of \$943,781. She says LAFCO staff felt it was appropriate to add that \$943,781 fund balance to the CSD’s proposed budget for 2006/07 which she says is the only change staff made to the revenues proposed by the CSD. She says the bottom line on the chart shows the differences between the revenues and expenditures of the outside audit firm and the County’s adopted 2005-06 and proposed 2006-07 budgets, and shows that the proposed CSD will have a \$1.5 million difference in its first year of operation. Ms. McDonald says the Commission has been presented this morning with colored copies of budget information for Zones B and C and she explains how the figures were derived. She discusses staff’s concerns regarding the revenues, and discusses the Capital Improvement Program, which includes the Replacement and Expansion Funds for Zones B and C, as outlined on pages 14 through 16 of the staff report.

Regarding expenditures, Ms. McDonald discusses staff’s concerns related to the personnel staffing proposed by the CSD, summarizing the chart on page 17 of the staff report that compares the Task Force’s personnel costs, LAFCO staff’s anticipated costs and those of the Special Districts Department. She notes that Zones B and C have no personnel because all employees that operate Zones B and C are Special Districts employees of CSA 70 and are apportioned to the agencies under the Water and Sanitation Division operation as needed. She says staff tried to evaluate the current operational levels

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

identified by the County for the provision of service and those proposed by the CSD and LAFCO staff; that the operation of Zones B and C by the County for water operation and administration requires 18.76 Full-time Equivalent positions; and that the CSD proposed that it would need 15 positions to operate Zones B and C and provide for the administration of the new district, billing, etc. She discusses LAFCO staff's concern that the proposed salary of \$80,000 for the General Manager was not appropriate and says staff modified that figure to \$105,000 due to all the responsibilities this position will have. She says LAFCO staff also did not believe the salary of the Budget Officer was set at the appropriate level and changed it from \$55,000 to \$75,000. In addition, she says there is a line item identified as the burden for those employees; that the Task Force used 28% but LAFCO staff changed it to 35% of the overall budget. She says these changes make a difference of approximately \$160,000 more under the LAFCO staff scenario versus the Task Force's scenario. However, she says that is still \$200,000 less than the anticipated cost for 2006/07 for the County personnel. She discusses the chart on page 18 of the staff report which shows the staffing and services for the County's Victorville operation to provide for a comparison of costs.

Ms. McDonald discusses the calculation of an appropriation limit, which she says has been a complicated process due to the fact that there is no existing appropriation limit for Zone B, which is known to have received property tax revenues in the past. She says staff has utilized the methodology for an incorporation effort to allow the Commission to establish a provisional appropriation limit for the proposed District. As outlined in the staff report, she explains how staff arrived at a total of \$219,890 as the recommended provisional appropriation limit, noting that if the formation of the CSD is successful, the CSD will be required to set a permanent appropriation limit at the first District election held following its first full fiscal year of operation. She says the draft resolution contains a condition of approval for the appropriation limit.

Ms. McDonald discusses that the Commission must determine whether formation of the CSD would be detrimental to the continuing operation of any other agency and she says the Commission must make sure there is no detrimental effect to the continuing operation of the Water and Sanitation Division of the County Special Districts Department. She discusses that the Special Districts Department initially was very concerned about the effects on its operations and wanted additional information from the Task Force about how the operation would be funded and the transfer of responsibilities. She says that information was provided to Special Districts and they indicated there should be no problem with the continuing operation of the system.

Based upon the determinations outlined in the staff report, Ms. McDonald says it is staff's position that the formation of the Helendale CSD: (1) is financially feasible and would provide for a reasonable reserve within the first three years of its existence; (2) can maintain the pre-formation service levels that are currently provided within the study area as a whole and within the Silver Lakes community with its higher intensity of service, and provide for the long-range planning necessary to provide for a higher level of service in the future as resources become available; (3) would not be adverse financially to other agencies providing services nor would it damage the ability of other agencies to provide their range of services; and (4) would not impair any other agency currently serving within the area.

Ms. McDonald discusses the service issues and considerations. She says the staff report discusses the existing water and wastewater transfer authority but there are four other services contemplated in this formation process, with 25 latent powers available which can be activated through a subsequent LAFCO process. She says streetlighting service is currently provided by Zone B; that there are 117 lights that are actually within its boundaries; and that responsibility for those lights will be transferred to the new CSD. She says the CSD proposes to provide refuse service, which is currently provided by AVCO/Burrtec Waste Industries through a franchise agreement, with four years left on a five-year term. She says the CSD will succeed to the terms of that agreement and the franchise fees will transfer to the CSD. She says there is no existing park and recreation entity within the boundaries of the CSD; that the CSD wants to engage in long-term planning to provide park and recreation services to the community as a whole; and that there will be no effect on a private park currently operated by the Silver Lakes Association. She reports that graffiti abatement will be provided utilizing volunteer services and can be funded on an as-needed basis through contingency funds.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Ms. McDonald says the formation of this CSD clearly meets the criteria put into effect by the State Legislature outlined in Government Code Section 56001 which provides that a single, multi-purpose government agency may be the best mechanism for establishing community service priorities, especially in urban areas.

Based upon the determinations outlined in the staff report, Ms. McDonald says it is staff's position that: (1) formation of the CSD represents the best available service option for the community since it provides for a single, multi-function entity to provide the range of services contemplated rather than a series of single or multi-purpose entities; (2) formation of the CSD is a more efficient and accountable mechanism to provide services, rather than the status quo of forming improvements zones to CSA 70 for specific development proposals; and that the formation of a city in the future is possible but it is not an appropriate alternative in this case due to the lack of sales tax base and Motor-Vehicle In-lieu fees; and (3) the delivery of park and recreation services to the community as a whole is needed rather than private parks isolated to specific developments.

Ms. McDonald says the Commission was the lead agency to review the potential environmental consequences of this formation and that Tom Dodson, the Commission's Environmental Consultant, will address the environmental considerations.

Mr. Dodson states that an Initial Study was prepared and distributed for public review, with a comment period from May 11 to June 12, 2006. He reports that three comment letters were received—one from the State Clearinghouse and Planning Unit of the Office of Planning and Research, one from the California Regional Water Quality Control Board, Lahonton Region, and one from the Victor Valley Wastewater Reclamation Authority. He says he and staff had a lengthy discussion as to how to approach this project and says the issue comes down to whether, if the Commission chooses to approve formation of the CSD, that action will cause any physical impacts on the environment. He notes that in the three letters originally received during the comment period, there were no conflicts identified in reference to formation of the CSD and its assuming responsibility for service in the area. However, he states that a letter received this morning from William Medlen of the law firm of Green, de Bortnowsky & Quintanilla, representing the City of Victorville and the Southern California Logistics Airport Authority, complains that an Environmental Impact Report (hereinafter EIR) should be prepared for this project. He says their letter indicates they believe that this project will lead to future development, but Mr. Dodson says that approval of the CSD does not approve any development or any physical changes and that none are proposed at this time. He says the question to be considered is whether formation of a district that will assume responsibilities for already existing districts for wastewater and water service will cause development to occur. He summarizes some of the findings on page 7 of the Initial Study, including that the proposed CSD would not change any land uses or have any authority over future land uses; that the County retains its jurisdiction over future land uses within the proposed boundaries; and that, aside from the implementation of already-planned essential water infrastructure facilities, the proposed CSD will not physically alter the environment in the near term future if it is created. Mr. Dodson says the crux of the issue is whether they move beyond the creation of a district with certain authorities, operating an existing system, and speculate about what it will do in the future in relation to future projects. He says his recommendation is that they do not have to speculate because there is nothing proposed at this time and there is no proposal for the districts to extend facilities to any new development. Also, he says improvement zones can be formed through the County to serve any new developments and he says that process does not come to LAFCO. He adds that if a development has its own water rights or the ability to install a wastewater system, it can build its own systems without connecting to the CSD. Based on those conclusions in the analysis, Mr. Dodson says it has been determined that there are no physical changes from creating the CSD at this point in time and the CSD will have no ability of affecting any requests to the County for land use changes for developments.

Mr. Dodson discusses why he believes the conclusions in Mr. Medlen's letter are inaccurate. He says he does not concur with the first sentence in the second paragraph on page 2 of the letter which indicates that "The Initial Study and the Negative Declaration attempt to circumvent the requirement of an EIR by effectively parsing a large project that constitutes the first step toward substantial development into

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

smaller projects.” He says there are no projects identified so he says that leap of logic is not accurate for the analysis of a CSD. He points out that if any development is proposed in the future to which the CSD will extend any services, an environmental analysis will have to be prepared at that time. He goes through each area for which the letter indicates that the environmental review failed to consider the significant environmental effects from the project. He says there will be no effects on aesthetics because creation of the CSD will not cause any physical changes in the near term future; agricultural resources remain the same and, if someone wants to change an existing agricultural activity to some other use, he must go to the County for permits; there will be no air quality effects; the fact that the CSD may install waterlines in the future that could affect biological resources is accurate but there are no proposals at this time to do so; that the CSD has no ability to approve new development and is not responsible for seismic issues; that existing uses of hazardous materials are already in place and there will be no change by approval of the CSD; that regarding hydrology and water quality, the CSD will only continue to provide water and will work to obtain funds to reuse existing wastewater being generated; that the CSD has no ability to affect land use planning; and that there will be no effect on the rest of the areas in the letter because there is no physical change associated with formation of the CSD.

Mr. Dodson says the conclusion of the Initial Study indicates that the future growth that will occur in this area is not dependent upon the creation of the CSD; that there are independent agencies that can provide infrastructure to support development; and there are individual developers who can obtain permits and install their own systems if needed. He says the future CSD can accommodate growth if it occurs in the same way that the existing Zones B and C would expand their service areas if requested. He says he and staff believe that a Negative Declaration is appropriate and recommend that the Commission adopt it. Commissioner Sedano asks Mr. Dodson when he received a copy of the letter from Mr. Medlen and he responds that he received it this morning. Commissioner Sedano states that is ludicrous.

Ms. McDonald states that staff supports the formation of the CSD with the modified boundary approved at the April hearing. She says the staff recommendation is outlined on pages 28 through 31 of the staff report and she presents each of the 18 proposed terms and conditions as outlined in the draft resolution. She discusses certain myths associated with the formation and ensures that there will be no change to the existing property tax rates; that property owners outside the boundaries of Zones B and C will not be required to connect to water and sewer; and that there will be no change in the requirements for the future extension of services to be funded by anyone. She notes that at present, the County can create an improvement zone over an area to fund the extension of water and sewer facilities which could include other properties. Ms. McDonald reports that the Commission has been presented this morning with the letter regarding environmental concerns discussed by Mr. Dodson, a letter from Robert Shesnick, Chairman of a committee opposing the formation of the CSD, which includes a petition of opposition containing approximately 263 signatures, as well as letters in support of the CSD. In response to inquiry of Commissioner Sedano, Ms. McDonald states that the cutoff period to receive comments was June 12, but she explains that staff is obligated to provide any information received to the Commission, even after the cutoff date. Commissioner Sedano asks whether those who presented this information expect the Commissioners to read it. He says so much information was provided in the excellent staff report and by Mr. Dodson that it is asking too much to expect the Commissioners to read another inch of paperwork the morning of the hearing.

Mr. Dodson explains that the CEQA process does not end until a decision is made by an agency, so he says it is not out of the ordinary to receive comments up to the end in the CEQA process. Legal Counsel Clark Alsop points out that Mr. Dodson went through the letter received today, analyzed it, and responded to it point by point, and that is in the record. Vice Chairman Colven says Commissioner Sedano's comment is valid because receiving material at the last minute does not do justice to those submitting it since the Commissioners have a limited opportunity to review it.

Vice Chairman Colven opens the hearing and calls on those wishing to speak in favor of staff recommendation.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Milo Stormo, Chairman of the Helendale CSD Task Force, compliments staff on its excellent, professional job in analyzing this proposal. He requests approval of staff recommendation on behalf of the Task Force and the 500 plus people who signed the original petition.

Craig Schneider, Treasurer of the Task Force, says the staff report is very comprehensive and enlightening. He notes that 12 to 15 months of work went into helping staff prepare the information and says there have been a lot of meetings and give and take. He asks that the Commission take into consideration that the residents of Helendale will have the opportunity to vote on their future and the ability to have local control and he asks for a favorable vote at this time.

Frank Dobbins, a resident of Helendale, says he has attended the meetings and read all the information from LAFCO and the Task Force and has come to the conclusion that the CSD and local control are what is needed for the area. He says if they do not get a sphere of influence, they will be gobbled up by the Cities of Adelanto and Victorville.

Gary Aalfs, a resident of Helendale, says he also has read everything pro and con regarding the CSD and has concluded that the CSD will be to their benefit. He says he has talked with many people in Helendale and believes that the few negative comments he heard are based on a lack of information and that, as information is disseminated, more people will vote for the CSD than against it.

Vice Chairman Colven calls on those wishing to speak in opposition to staff recommendation.

Terry Caldwell, Mayor of Victorville, states he is representing the City as a Councilman, is Chairman of the Southern California Logistics Airport Authority (SCLAA) for the redevelopment of former George Air Force Base (now known as the Southern California Logistics Airport), and is Vice Chairman of the Victor Valley Economic Development Authority (VVEDA). Mr. Caldwell says they do not oppose formation of a CSD for the community of Helendale but support it; and he says that, if the community decided in the future that incorporation was the best step, they would support that because they believe in local control. He says their concern and problem with the staff's presentation relate to the proposed southerly boundary. He explains that after the devastating closure of George Air Force Base (GAFB) in 1992, the VVEDA was formed and Victorville was given the responsibility to redevelop GAFB with the primary mission of job creation and economic enhancement for the entire Victor Valley. He says the southerly boundary of the proposed CSD encroaches into the development prerogatives and opportunities associated with the SCLA, especially on the northern tier and, to a certain extent, on the eastern side. He says Victorville is the only governmental entity with both the financial resources and commitment to develop the perimeter around the base, develop jobs and enhance local economy, and he says allowing another unit of government to intrude into the environs around SCLA will complicate development opportunities and could kill them. Mr. Caldwell says that two specific powers requested by the CSD are water and sewer and he says Victorville cannot develop the environs of SCLA without controlling the ability to deliver water.

Commissioner Hansberger comments that the power for sewer and water already exists in that area and the land use authority does not change in terms of the granting of development in the area. He says he understands that they are concerned that the boundary may affect takeoff and landing areas, but he asks for more specific information as to why Victorville feels threatened by the boundary at that location and what Victorville proposes at that location.

Mr. Caldwell responds that it is a natural progression for a CSD to move toward forming a city, so there could be another unit of government in the future directly involved in land use controls, which he says creates the potential for problems. He says that even though the CSD would not have land use control, it is a unit of government and is entitled to a great deal of weight and consideration when expressing views on issues taking place within or adjacent to its sphere. He notes that materials have made reference to increased landings and takeoffs at the Airport and activities associated with allowing the Department of Defense to train special operations people there. He says having another unit of government that comes down to the Airport's northerly border, and might have a difference of opinion that could impact the County's decision on land use, is something Victorville wants to avoid. He says they believe the existing

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Helendale School District boundary would be the appropriate southerly boundary for the CSD and that is what they are requesting if the CSD is approved.

Vice Chairman Colven comments that there has already been acquiescence on the boundary on the part of the Task Force. Mr. Caldwell says the City Manager will address that issue but he says he participated in some informal, nonauthorized discussions with one or two representatives of the Task Force to see if they could come up with a boundary everyone was comfortable with. He says Victorville preferred not to be a player in this proceeding and did not want to file opposition to the CSD, but he says a compromise could not be reached.

Commissioner Sedano tells Mr. Caldwell that he cannot see why the proposed southern boundary is a problem. Mr. Caldwell says that originally the CSD's proposed boundary came down to the northerly boundaries of Adelanto and Victorville but they have since been modified as proposed today. He says the only way that Victorville and the former GAFB, through the SCLAA and VVEDA, can expend public funds and develop the area north of the existing runways is to expand Victorville's sphere and he reports they are in negotiations with Adelanto about future boundary adjustments which will be submitted to LAFCO. He discusses that in order to take advantage of the manufacturing, industrial and rail logistics opportunities that currently exist, the area he is referring to needs to be developed, which requires an extensive commitment of money for the infrastructure. He points out that if the southerly boundary is approved as presented today, he senses that LAFCO staff would not be inclined to support Victorville wrapping around the CSD's boundary to develop the area it wants to develop. In response to inquiry of Vice Chairman Colven, Mr. Caldwell says that at the closest point, the proposed CSD boundary is less than a mile from Victorville's northern boundary.

Commissioner Pearson reminds everyone that they are talking about the formation of a CSD and are not dealing with land use issues. He says that if the CSD is formed, the Commission must make a decision on the sphere within one year of formation, at which time the southern boundary could be reexamined in terms of Victorville's concern over the southern boundary. He says the boundary concerns are not germane to this discussion as much as whether the citizens of the High Desert area should be provided the ability to have local control over their requested services. Mr. Caldwell responds that he agrees with most of what Commissioner Pearson said, but he says where he differs is that he thinks the Commission has the responsibility and legal authority to make boundary decisions, which is the issue today. He says if the question today is whether to go forward with formation of the CSD with the southerly boundary as proposed, he would urge the Commission to vote no. He says the City believes the Commission can, and urges it to, make a decision to form the CSD with the requested boundary adjustment.

Commissioner Williams asks if the City wants the southern boundary to be that of the Helendale School District. Mr. Caldwell responds yes--that they believe that boundary will allow them to develop the area immediately around the Airport to its highest and best economic use, but will provide a reasonable buffer from the Helendale community as it grows and urbanizes.

Walter Kieser, principal with the firm of Economic and Planning Systems, urban economists, speaks on behalf of Victorville. Mr. Kieser says he has worked on service reorganization issues and has prepared a number of feasibility studies for annexations, incorporations and district formations. He says that the Feasibility Study does not justify the entire boundary of the CSD; that it is based largely on the existing service area of CSA 70 Zone C, which is only about 5% of the proposed boundary; and that 100 square miles is a large area for a new district of any sort. He says that normally a CSD is formed to provide services to existing developed areas or areas immediately planned for development, and that the boundaries created do not normally extend well beyond what is contemplated for development. Mr. Kieser says there are six criteria in the statutes that deal with the issue of a feasibility study and they all speak to the ability of the proposed agency to provide services throughout its proposed boundary. He summarizes that criteria, as outlined in Mr. Medlen's letter on pages five and six. Regarding the level and range of services provided, he says there is a discussion about those services in CSA 70 Zone C, but nothing about the remaining 95% of the proposed boundary. Regarding when services can be extended, he says the Feasibility Study lacks an analysis of a forecast of development, when services might be provided, and what the costs might be. Regarding an identification of improvements required for

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

services, he says typically that is talking about improvements to serve the entire boundary as proposed. Regarding costs and funding, he says normally there is a forecast for providing services throughout the boundary, not a very limited portion. Regarding impacts on existing districts, he says Mr. Caldwell mentioned some issues surrounding the Airport but he says there is not a lot of analysis on the impact on existing financing districts other than the CSA 70 improvement zones. Mr. Kieser says the most important issue is the timely availability of water. He says that if water supplies are available for the CSA 70 improvement zones, no similar water source is identified for the other 95% of the boundary that lies beyond Zone C. Mr. Kieser concludes that based on the firm's experience in preparing these kinds of studies, the boundary as proposed is not directly connected to the Feasibility Study and that a smaller boundary, more consistent with the service plans and needs of the community presently and into the future, would be more appropriate.

Commissioner Gonzales asks for clarification of the proposed boundary as it relates to Mr. Kieser's comments and the Helendale School District. Ms. McDonald states that the boundary presented today includes a majority of the Helendale School District boundary. She points out the boundary on the map displayed, a copy of which is also on page 9 of the staff report. She says that she believes that the areas Mr. Kieser is discussing are CSA 70 Zones B and C, not the School District boundaries. Mr. Kieser states that he is saying that the large boundary, whether it is defined by the School District or as proposed, is larger than would normally be included in a proposal where the services provided occupy such a small portion of the area. He points out that there are 100 square miles in the proposed boundary, with services planned for 5% of that area. Commissioner Sedano comments that the Task Force feels that the boundary is sufficient as submitted, so there is just a difference of opinion.

Commissioner Curatalo asks that Ms. McDonald address the issue of the southern boundary. She discusses how this boundary came about, the history of which is outlined on pages six through eleven of the staff report. Commissioner Williams asks whether there was any discussion of bringing the boundary over to Highway 395. Ms. McDonald says there were concerns expressed regarding the inclusion of that area in the original proposal, but she says the Task Force would have to respond to that. She says of concern to LAFCO staff was to include the intersection of Shadow Mountain Road and Highway 395. Commissioner Hansberger comments that the Mountain/Desert Measure I Committee is looking at the future alignment of Highway 395. He says LAFCO has encountered that problem where a boundary was placed at the centerline of a freeway and then it was realigned. He says the use of section lines provides a much cleaner boundary.

Mr. Dodson says he wants to reiterate that the future ability to develop land around the Airport area is related to the land use decision-making authority. He points out the current Airport safety boundaries on the map displayed and says the boundaries in the area for services were drawn to avoid that safety area. He says the City does not want to have any compromise for the future land use development in the area. He says there is no development now and none being proposed and that the CSD's boundary respects the existing Airport operations.

William Medlen, an attorney with the law firm of Green, de Bortnowsky & Quintanilla, representing the City of Victorville and the SCLAA, apologizes to the Commission and staff if his letter caught them off guard. He says he thought written comments would be helpful because of the limited time to speak. Mr. Medlen says he disagrees that a Negative Declaration is the appropriate document; that it seems clear from this discussion that this project is the first step in a process that will lead to environmental impacts. He says the voters will not have answers to questions related to how much of an impact this decision will make on the environment because no EIR has been prepared. He says it is clear under CEQA that an environmental analysis should occur earlier in the process rather than later so that decisionmakers can have an opportunity to consider the impacts.

Commissioner Hansberger says he has heard the City's testimony requesting that the boundary be adjusted for specific reasons, but he discusses that going through an EIR process is an inappropriate process to use to get to a public policy conclusion. He says they are not talking about the environment, but they are talking about a governmental jurisdictional issue, which is an appropriate discussion. However, he says an EIR will cost a lot of money and time and will not give an answer to the question of

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

where the boundary should be. He says an EIR will tell them that there are jurisdictional issues that need to be talked about, such as whether it is appropriate for the CSD to provide sewer and water services and whether its actions will impinge in the future on land use decisions to be made by others. He says the City has a valid request but is using the wrong tool with which to make the request.

Mr. Medlen responds that the environmental review is necessary to find out things such as whether or not the boundary will have an effect on the environment. He says that he is not necessarily saying that every single category would be reviewed at this time but that some of the categories mentioned probably should be studied in an EIR. Commissioner Hansberger reiterates that he thinks this is a public policy decision that cannot be gotten to through the tool suggested by Mr. Medlen. He says they should talk about whether that boundary belongs there or not and says his inclination is to redraw the boundary and leave the discussion open. He says that until some other land use planning activities have taken place in the surrounding jurisdiction, the question of whether the boundary belongs there cannot be legitimately answered. He says he is inclined to accommodate the City's request and maybe some day move the boundary back to that requested by the Task Force.

Commissioner Gonzales asks whether there has been an application for inclusion of this area within Victorville's sphere of influence. Ms. McDonald explains that the service review/sphere update process began 18 months ago; that about a year ago a meeting was held requesting information and submission of documents in order to conduct the North County service reviews/sphere updates, including the Cities of Victorville, Hesperia, Apple Valley, Barstow and Adelanto. She reports that to date, no response has been received from Victorville or Hesperia and none is currently on file for Adelanto, so she says there is no sphere consideration presently under consideration. Commissioner Gonzales states that the item before the Commission today then is not the place to substantiate a need for influence within a sphere of influence that has not yet been applied for.

Peter Soderquist, Director of the SCLA, says the conflict is over Airport noise—the noise from aircraft that arrive or depart over the proposed CSD. Mr. Soderquist explains the noise exposure levels, stating that a 65 community noise contour level touches the southern boundary of the proposed CSD and that a 55 level will go well into the community of Helendale and the CSD. He says the best way to manage noise is to have the Airport owner have the land use planning authority over the Airport and the areas surrounding it; and that a new stakeholder has been introduced and will have the ability to curb the growth of the SCLA. He says compatible development north of the SCLA is critical to the future of the facility and that the Cities of Victorville and Adelanto and the County have worked hard to protect this asset. He asks the Commission to reconsider the merit of approving the CSD with the southern boundary as currently drafted.

Commissioner Gonzales comments that everything Mr. Soderquist referred to would be more of a zoning issue where the immediate jurisdictions would have control versus the Commission.

Bill Webb, Director of Planning for the City of Victorville, says that questions were asked for which he wants to provide clarification. Mr. Webb states that the City's understanding of why they are discussing the CSD's boundary today is because the March Workshop was cancelled; that LAFCO staff was directed to go with the largest boundary proposed (Commission action on April 19, 2006); and everyone would come back and discuss the boundary at this meeting. He says Victorville was in the process of doing a sphere expansion but his understanding is that the City told LAFCO staff that it did not want to introduce that into the mix while in negotiations with the Task Force over the CSD's potential boundary. He reports that Victorville is working with Adelanto on negotiating some issues with the property directly north of the Airport and that Victorville fully intended to propose expansion northward. Mr. Webb says that although he agrees that they are not dealing specifically with land uses today, in earlier discussions with LAFCO staff regarding Victorville's proposed sphere expansion, the City was told that if the CSD is approved as proposed, including the southern appenditure of the development known as "Palisades Ranch", LAFCO staff would not support the City's sphere expansion to the northwest. He says that was a concern so the City looked at the School District boundary which would make the most sense in lieu of any natural or man-made boundaries. He says the City is concerned with the southern appendage of Palisades Ranch because of its potential residential land use in the future that will negatively impact the Airport and its

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

encroachment because it closes the gap for the City's potential expansion northward to the School District boundary. He says the City recommends a southern boundary which aligns with the School District boundary.

Buck Johns of Inland Energy, a developer of projects in the High Desert and projects for airports in Orange County, says Commissioner Hansberger summed it up well—that this is a boundary issue and it is critical to make a decision now. He says it is important to protect the SCLA, which will be the economic engine for development opportunities and jobs in the future.

Jon Roberts, Victorville's City Manager, explains that the reason for the lateness in submitting information is because the City had a great hope and desire to resolve the boundary issue with the Task Force prior to this hearing, but was unable to achieve that. Regarding consternation expressed by Ms. McDonald that the City has not timely submitted its request for a sphere expansion, Mr. Roberts says that is because the City's request overlaps the boundary of the CSD and the City hoped to resolve the conflict prior to submitting its request. He says the City's interest is being able to develop the SCLA and he discusses that the redevelopment area comes up to the Helendale School District boundary, which means that part of the CSD's proposed boundary is within the VVEDA. He says they initially saw an opportunity to develop an air cargo airport but became aware of the need to develop it also as a rail facility and are concerned that the Feasibility Study of the Task Force has not considered the magnitude of the development they are talking about for a project of one half to one billion dollars. He says the City does support the formation of the CSD and has a dispute with only about ten square miles. Mr. Roberts says that the Initial Study on page four states that the District has no plans to extend water lines and water service to any areas beyond the current boundaries of Zone C, which he says the City sees as a severe problem. He says that in order to attract this magnitude of a project, they must be able to address water issues and there must be an extensive study of how water will be provided. He says that Mr. Dodson's alternative that individual developers could install their own water systems is not an appropriate way to plan for a large-scale water development project and probably would not meet State or Cortese-Knox-Hertzberg requirements for urban water management plans. He says they can find nothing in the plan that identifies how water infrastructure will be supported within this area which is extremely critical to the development of the SCLA and the City requests that for the time being, that small portion of land not be included in the CSD.

Commissioner Sedano asks Mr. Roberts what kind of sphere expansion the City is thinking of asking for. Mr. Roberts says they would propose to expand the sphere up to the Helendale School District boundary, which is the position they have taken with the Task Force. Commissioner Sedano asks why the City did not submit the sphere expansion request at the very onset. Mr. Roberts responds that the City was trying to work in good faith with the Task Force to resolve the boundary conflicts prior to bringing the sphere expansion request to LAFCO. He says the City did not know there was a conflict with the CSD boundary until a meeting of the three City Managers with Ms. McDonald to discuss sphere expansion plans and has been upfront in trying to resolve the issue.

(It is noted that Commissioner Williams leaves the hearing at 11:50 a.m.)

Commissioner Sedano asks Ms. McDonald if she agrees with Mr. Roberts' explanation. Ms. McDonald says she does in general. As clarification, she explains that the CSD proposal was submitted and certified in August 2005 and was circulated for review and comment. She says she met with Mr. Roberts and the City Managers of Adelanto and Apple Valley regarding the process because of concern and discussion at their level about a proposed sphere expansion. She reports that there was potentially a much larger overlap than now. She explains that for the Departmental Review Committee meeting held for this proposal in September, Adelanto and Victorville provided written opposition to the proposed boundary, which included a general overview of a northern expansion anticipated by both Cities. She says her only disagreement is that a meeting was held, but it was in response to the actual application.

Jim Hart, City Manager for the City of Adelanto, says Adelanto supports Victorville's position regarding the southern border. Mr. Hart says the only thing Adelanto has requested is that the boundary to the west be brought back to the School District's boundary so that as Adelanto moves northward in time, it

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

does not run into a situation like Victorville has. He says they are having to address how Victorville can expand north into areas with Adelanto blocking the way because LAFCO staff has indicated it would not support a position where Victorville jumped around Adelanto and went north. He points out the area that is within the Adelanto Elementary School District boundary and says they think it makes sense to move the CSD's boundary east to the Helendale School District boundary, which would give Adelanto the freedom to move forward within its School District boundary. He says the City has already indicated that it is willing to share the signal at Shadow Mountain Road and Highway 395 with Helendale when the area is developed. Mr. Hart reiterates that Adelanto opposes the southern boundary as proposed for the same reasons as Victorville and asks that the Commission move the boundary back to the east side of Highway 395.

Commissioner Curatalo asks whether Adelanto would oppose Victorville's sphere wrapping around Adelanto's. Mr. Hart responds that there are concerns about that, but he says they are working on options that would work for both Cities. He says there have been a series of discussions about how that northern area can be shared for the accomplishment of Victorville, Adelanto and SCLA purposes.

Commissioner Hansberger indicates a concern about the time because he is scheduled to attend another meeting a noon. Commissioner Gonzales indicates she also is conflicted with time. Vice Chairman Colven states he has five more requests to speak. Commissioner Hansberger says they are hearing the same things over and over; and, if someone has something to say that has not been said, the Commission needs to hear that. Commissioner Curatalo states that he wants to hear the Task Force's opposition to a readjustment in the southern boundary.

Mr. Stormo states that the original boundary proposed by the Task Force came all the way down to Adelanto, but he says the Task Force compromised with Victorville and Adelanto and gave up 10.8 sections. He explains that part of the reason for the "dip" down in the southern boundary was so that all of the Palisades Ranch property could be included with the proposed CSD. He clarifies that the north end of the Airport runway is about 4.5 miles from the School District boundary. He says it bothers him that Victorville has been talking about a development zone, which he says is not completely in Victorville, and he asks why Victorville thinks dealing with Adelanto over this zone will be easier than dealing with the CSD. He says the CSD would like to have some of that property to make it more viable to become a city. Mr. Stormo says the proposed boundary is good from the standpoint of natural drainage because it has a natural drainage through Silver Lakes, down into Helendale.

Commissioner Sedano asks whether the boundaries are cemented in if the Commission approves staff recommendation. Ms. McDonald responds that the Commission must establish a boundary today for the election and she says if the CSD is formed, the Commission will be required to establish its sphere within one year. Commissioner Sedano encourages the Commission to approve staff recommendation and says he thinks Helendale should be given the right and privilege to go forward with the proposed CSD. He says the entities in the High Desert always seem to work well together and he does not see why they will not continue to do so in the future. He notes that the Task Force has already made two adjustments in its boundary, which shows cooperation.

Vice Chairman Colven requests that the remaining speakers simply indicate their opposition and a very succinct reason for it due to time constraints.

Robert Shestek, Chairman of the Committee Opposing the Helendale CSD, says the Committee is composed of residents of the Helendale/Silver Lakes area and that their primary concern is not the boundary line but the financial aspects. Mr. Shestek says the numbers provided in the areas of revenues and expenses are somewhat dubious, especially the expenses with pooled labor from County Service Area 70. He says the area is going through a problem of water breakage, to which the CSA responds quickly, with many people; and he says that in looking at the organization chart for the CSD, the Committee does not see how the CSD could respond to that problem on a timely basis 24/7. He says he found nothing in the material regarding a \$136,000 charge back to Zone C for replacement water from the Mojave Water Agency. He says the people in Silver Lakes have parks, lakes, lights, water and sewer and graffiti removal and do not see the necessity for another level of government.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Rod Goldfinch, a member of the Committee and property owner in Silver Lakes, discusses his concerns on the revenue and expenditure comparisons. He says that approximately 210 new connections are projected over the next two or three years, but he says the total revenues appear to go down. He asks why revenues would go down if there will be one million dollars worth of new connection fees. He questions the 10% cost-of-living increase applied to the appropriation limit, noting that his cost-of-living increase on his Social Security is only two or three percent. He questions the additional \$100,000 added by LAFCO staff for anticipated new development in the area when there is nothing scheduled for development. He says LAFCO staff increased the salaries and increased the burden that make the CSD budget incorrect—that it is short on the expenditure side. He says the largest discrepancy he see is in the contingency area for the old system in that the County's proposed budget for 2006 shows \$833,966 and the CSD's budget shows \$60,000. He says the Task Force has addressed reserves but he says LAFCO staff only said the revenues are adequate. He notes that the County's proposed budget for 2006-07 shows \$61,000 allocated to reserves, but that the general reserves for the CSD's proposed budget for 2006 through 2009 are not listed. He says \$61,000 does not seem like a very large participation to the reserves to which three or four million dollars are currently being transferred.

Jack Deutsch, a Committee member and resident of Silver Lakes, says that his concern is that there be a failsafe protection that shows that the CSD will be audited so they do not go down into the type of hole they went into in 1990 with Assessment District 90-2. Mr. Deutsch says his next concern is the discussion of the CSD eliminating three levels of government and says he wants to know what those are and how that will reduce his tax rate. Next he discusses his concerns with the procurement style that the CSD will use, stating the CSD is assuming that it will have the same purchasing power that the County has. He says the CSD's interest rate for revenue borrowing will not be as low as that of the County's. He discusses a facility known as "Skunk Works", which he says is a secret imaging Department of the Defense U.S. Air Force facility and has nothing to do with any form of government.

Dave Ellis, a Committee member and resident of Helendale, notes that the staff report identifies an \$825,000 Fiscal Year 2005-06 appropriation for arsenic treatment for Zone C and says he assumes the County is doing everything it can to reduce the arsenic level down to below 10 parts per billion. Mr. Ellis asks whether the CSD will inherit that money and whether Zone C will continue to try to find out what is needed to lower the arsenic level. He says the County has the resources, available people, the necessary contacts and expertise to do that. He discusses a water and sewer masterplan put together in 2002 for the County which indicated that the water system in Zone C currently could not provide adequate fire flow protection in many locations of its service area and recommended that upgrading be done in future years. He points out that the cost in 2002 for the water system upgrades was about \$16 million and about \$4 million for sewer upgrades. He says that is something the CSD will have to take over if it is approved, and is something the Commission should think about. He discusses that the County has certain wells that supply water to Silver Lakes, but he says they have been "ramped down" by the Mojave Water Agency down to 60%, which means the County must purchase water to make up what is required in Silver Lakes. He says the CSD will have to do the same thing but says he feels the County has better contacts and rates to get the water than an independent CSD would have.

Anton Stoerman, a Committee member, resident of Silver Lakes, and multiple property owner, says he was the Chair of the Helendale CSD Task Force for the first seven months it existed. Mr. Stoerman says he resigned when it became apparent in January of 2005 that the Task Force would not be able to achieve the goals it originally set out to achieve, which were lower water and sewer rates, better police, fire and paramedic service and better road service. He says that since then, he has not seen any indication that those goals will be achieved through formation of the CSD; that Zones B and C do an excellent job of providing water and sewer service and maintaining the lines; and that he is opposed to the CSD which he does not believe is essential to Silver Lakes. He says Silver Lakes property owners will be asked to support real estate developers of property outside Silver Lakes, which will not do Silver Lakes any good.

Joe Jarvis, representing Palisades Ranch LLC, says they support what is going on with the SCLA. Mr. Jarvis explains that the reason for the southern boundary coming down as it does is so that the

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Ranch can be kept under one jurisdiction. He reports that the Ranch has over 2000 acres, stretching about 4.5 miles and is about one mile wide. He says they have no intention of putting in residential development in the northern area where Victorville has indicated the area should be developed as commercial/industrial. He says the residential area of the Ranch will be located just out of the Silver Lakes area down in the valley, underneath the bluffs, which would never become a commercial area. He says he supports the CSD but also supports the fact that Adelanto and Victorville have valid concerns and says the Ranch is willing to work with them. He recommends approval of staff recommendation.

Vice Chairman Colven calls for further speakers. There are none and he closes the hearing.

Commissioner Hansberger says he believes they need to move forward with approval today but says there are issues that could be resolved, and potentially even amendments to the boundary made, at the time establishment of the CSD's sphere comes back to the Commission. He urges that the School District boundary along the southern boundary be approved today for the CSD, with further discussion related to the boundary when the sphere is considered. He adds that he thinks that the land use issues which occur around the various jurisdictions beg for some sort of joint land use authority so that everyone is a player in making the decisions.

Commissioner Hansberger moves to approve staff recommendation, with a modification to the southern boundary to omit approximately ten square miles to follow along the Helendale School District boundary. Commissioner Pearson says he would like to amend the motion to include that the boundary on the western side also follow the Helendale School District boundary, pointing out that both areas could be added back in when the sphere is discussed. Commissioner Hansberger states he wants the boundary to go all the way to the Highway at this time, so his motion is to simply follow the Helendale School District boundary on the south. Commissioner Pearson states he will second Commissioner Hansberger's motion. Commissioner Gonzales says she supports the boundary on the west to go all the way to the Highway since that will square off the boundaries, which is one of the Commission's major goals.

Commissioner Curatalo states that he supports staff recommendation as presented. Commissioner Hansberger says he is not closed to the idea of reconsidering that area south of the School District boundary but says there are issues that remain unresolved; that he believes there would be a legal challenge to the boundary as proposed by staff, which would further delay this matter; so he thinks the balance of the CSD should move forward at this time. Vice Chairman Colven comments that he thinks there is room for reconsideration of the boundary at a future date.

Vice Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Gonzales, Hansberger, Pearson. Noes: Curatalo. Abstain: None. Absent: Biane (Gonzales voting in his stead), Cox (Curatalo voting in her stead), McCallon, Nuaimi.

(It is noted that Commissioner Hansberger leaves the hearing at 12:22 p.m.)

PENDING LEGISLATION – APPROVE STAFF RECOMMENDATION

Executive Officer Kathleen Rollings-McDonald presents the staff report on pending legislation. Ms. McDonald states that Chairman Biane forwarded letters of support for AB 2223, AB 2259 and AB 1602 prior to their scheduled hearings before the Senate Local Government Committee on June 12. She says the staff recommendation is that the Commission confirm the position of support expressed by Chairman Biane on these three bills as amended.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Curatalo. Vice Chairman Colven calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Colven, Curatalo, Gonzales, Pearson. Noes: None. Abstain: None. Absent: Biane (Gonzales voting in his stead), Cox (Curatalo voting in her stead), Hansberger, McCallon, Nuaimi.

EXECUTIVE OFFICER'S ORAL REPORT

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 21, 2006**

Ms. McDonald announces that there will be no July hearing. She says the August 16 hearing will be held in the San Bernardino City Council Chambers. Commissioner Pearson asks that the Commissioners be provided with a map showing where they should park.

COMMISSIONER COMMENTS

There are no comments presented.

COMMENTS FROM THE PUBLIC

Vice Chairman Colven calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS
ADJOURNED AT 12:30 P.M. ON MOTION OF COMMISSIONER CURATALO, SECONDED BY VICE
CHAIRMAN COLVEN.**

ATTEST:

DEBBY CHAMBERLIN
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

PAUL BIANE, Chairman