

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

REGULAR MEETING

9:00 A.M.

MARCH 17, 2004

PRESENT:

COMMISSIONERS:	Gerald Smith, Chairman	Richard P. Pearson
	Jim Bagley, Vice Chairman	A.R. "Tony" Sedano, Alternate
	Bob Colven	Diane Williams
	James V. Curatalo, Alternate	Clifford Young
	Neal Hertzmann, Alternate	

STAFF: **Kathleen Rollings-McDonald, Executive Officer**
 Clark H. Alsop, Legal Counsel
 Debby Chamberlin, Clerk to the Commission

ABSENT:

COMMISSIONERS: **Paul Biane**
 Dennis Hansberger, Alternate

REGULAR SESSION - CALL TO ORDER - 9:05 A.M.

Chairman Smith calls the regular session of the Local Agency Formation Commission to order. Commissioner Sedano leads the flag salute.

Chairman Smith 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 FEBRUARY 18, 2004

Chairman Smith 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 Colven. Chairman Smith calls for a voice vote on the motion and it is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams, Young. Noes: None. Abstain: None. Absent: Biane.

CONSENT ITEMS

LAFCO considers the items listed under its consent calendar. Chairman Smith 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 February 2004 and noting of cash receipts; and (3) one service contract. A Visa Justification for the Executive Officer's expense report and staff reports for the reconciled payments and the service contract have been prepared and a copy of each is on file in the LAFCO office and is made a part of the record by its reference herein. Consent calendar items have been advertised as required by law through publication in The Sun, a newspaper of general circulation. In addition, the service contract was advertised in the Daily Bulletin, a newspaper of general circulation in the area.

The service contract proposal is summarized as:

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

LAFCO SC#218 - City of Upland Sewer Service Agreement No. SSA-2004-01-01
for Sewer Service (APN 1003-513-02)

The staff recommendation is that the Commission approve the Executive Officer's expense report and payments as reconciled and take the following actions for the service contract: (1) determine that SC#218 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption; (2) approve SC#218 authorizing the City of Upland to extend sewer service outside its boundaries to APN 1003-513-02; and (3) adopt LAFCO Resolution No. 2808 outlining the Commission's findings, determinations and approval of the agreement.

Chairman Smith 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 consent calendar, seconded by Commissioner Young. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams, Young. Noes: None. Abstain: None. Absent: Biane.

CONTINUED ITEM:

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 2928; AND (2) LAFCO 2928 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR CITY OF LOMA LINDA (CONTINUED FROM FEBRUARY 18, 2004) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a hearing to consider a service review and sphere of influence update for the City of Loma Linda (hereinafter referred to as "the City"). This hearing is continued from February 18, 2004. Notice of the original hearing was advertised as required by law through publication in The Sun and the Loma Linda City News, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald 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. On the displayed maps, Ms. McDonald points out the City's existing sphere boundaries and its corporate and sphere boundaries in relationship to the surrounding Cities and their spheres. She says this proposal was initiated by the Commission on January 15, 2003, and is a routine, non-controversial service review and sphere update. She notes that attached to the staff report is a summary profile of the services provided by the City as well as the survey response submitted by the City to the factors required by Government Code Section 56430 for a service review. Ms. McDonald summarizes the major points of consideration in the survey response, which are outlined in the staff report, and thanks the City for its cooperation and thorough response to the survey questions. She says that based on the information outlined in the staff report and provided by the City, the staff recommendation is that the Commission: (1) determine that LAFCO 2928 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five working days; (2) make the findings related to a service review required by Government Code Section 56430 and determine that the existing sphere of influence for the City of Loma Linda should be affirmed as presently configured; and (3) adopt LAFCO Resolution No. 2813 setting forth the Commission's findings and determinations on this issue.

Chairman Smith opens the hearing and asks if there is anyone present wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Young moves approval of the staff recommendation, seconded by Commissioner Bagley. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams, Young. Noes: None. Abstain: None. Absent: Biane.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

DISCUSSION ITEMS

CONSIDERATION OF: (1) REVIEW OF NEGATIVE DECLARATION WITH MITIGATION MEASURES PREPARED BY COUNTY OF SAN BERNARDINO FOR TENTATIVE TRACT 16292 TO CREATE 69 LOTS ON 16.17 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#219; AND (2) LAFCO SC#219 - CITY OF REDLANDS OSC 04-29 FOR WATER AND SEWER SERVICES - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider approval of an out-of-agency service contract submitted by the City of Redlands (hereinafter referred to as "the City"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Redlands Daily Facts, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that the City of Redlands submitted an application for authorization to provide water and sewer services outside its corporate boundaries, in response to a request by the developer of Tentative Tract 16292. She reports that the County Land Use Services Department reviewed and considered this project, which involves the subdivision of two parcels totaling 16.17 acres into 69 residential lots for ultimate development as single-family residences in the Mentone area. She notes that the developer signed an agreement for annexation with the City in order to receive these services. Ms. McDonald says the County's land use process for the tentative tract was completed in November 2003. She says the City's Community Development Department reviewed the project and indicated that the development is in concert with the City's General Plan designation of Low-Medium Density Residential. She says the City also prepared a Socio-Economic Impact Analysis for the Agreement for Annexation and that the City's review of the Agreement included an environmental assessment of the project. She says the staff report outlines the costs the developer is required to pay prior to connection to the City's water and sewer facilities and that authorization of the Agreement is required before the City can take final actions to implement the Agreement.

Ms. McDonald says this application has been reviewed against the criteria established by Commission policy and Government Code Section 56133 and that the required findings are outlined in the staff report. She says the staff recommendation is that the Commission: (1) take the actions listed for environmental review on page one of the staff report; (2) approve S#219 authorizing the City to extend water and sewer services outside its boundaries to Tentative Tract No. 16292 on APNs 0298-192-03 and 0298-192-20; and (3) adopt LAFCO Resolution No. 2809 setting forth the Commission's findings, determinations and approval of the Agreement. She notes that a representative for the developer is present this morning if there are any questions.

Commissioner Pearson comments that the map attached to the staff report is not very good. He asks where the Redlands Airport is in relation to the project area. Ms. McDonald apologizes for the quality of that map and says staff is making efforts to be able to provide better maps. She shows the location of the Airport on the displayed map, indicating that it is not near this area.

Chairman Smith opens the hearing and calls on those wishing to speak.

Ernie Givens, President of the Mentone Area Community Association, states they object to the housing tract. Mr. Givens says the City of Redlands bought all the water in the area and now sells it back to the residents at an inflated price, requiring that developers sign an agreement to be annexed to the City in the future. He also discusses that there is only one sheriff who comes from the City of Yucaipa to patrol the Mentone area. He says the people in Mentone are happy as a community and they do not want to be connected to the City of Redlands. He asks that the Commission vote no on this service extension.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Commissioner Bagley discusses that the community of Mentone is eroding away and he says the community needs to seek incorporation or some community identity before its opportunity disappears.

Commissioner Sedano asks Mr. Givens what he would propose the developer do for water and sewer services. Mr. Givens says the City is the only provider of water and sewer services in the Mentone area. He suggests that people can pay to receive these services from the City but he says they should not sign annexation agreements because Mentone wants to stay as its own community. Commissioner Bagley suggests that the people start an incorporation drive to "test the waters".

Pat Meyer of Urban Environs, representing the developer of the project, the Mary Miller Family Trust, states that the City is the sole provider of water and sewer services to the Mentone area. Mr. Meyer explains that the City adopted initiatives that force a developer building a house in the Mentone or Crafton areas to sign a preannexation agreement in order to receive the services. He says, however, that does not mean that annexation is imminent in those areas and that annexation may never happen. He says Commissioner Bagley's advice to the Mentone people is prudent because there will be preannexation agreements for many areas in the Mentone area; and, if the City moves to annex those areas, he says the people will not have a voice due to the existence of those preannexation agreements. Mr. Meyer asks that the Commission approve this service extension.

In response to inquiry of Commissioner Bagley, Legal Counsel Clark Alsop states that preannexation agreements are legally binding if the City moves to annex the areas because that is the City's condition for agreeing to provide service. He explains, however, that if an incorporation succeeded, any annexation agreement in that area would not be valid because an area cannot be detached from a city without that city's consent.

Chairman Smith asks whether there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Bagley says time is of the essence if Mentone wants to retain its community identity. However, he says that he cannot vote no on this service agreement because it is a logical application from a property owner to receive service. Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams, Young. Noes: None. Abstain: None. Absent: Biene.

(It is noted that Commissioner Young leaves the hearing at 9:20 a.m.)

CONSIDERATION OF: (1) REVIEW OF NEGATIVE DECLARATION WITH MITIGATION MEASURES PREPARED BY COUNTY OF SAN BERNARDINO FOR TENTATIVE PARCEL MAP 15941 TO CREATE THREE PARCELS ON 8.67 ACRES, AS CEQA RESPONSIBLE AGENCY FOR LAFCO SC#221; AND (2) LAFCO SC#221 - CITY OF REDLANDS OSC 03-06 FOR WATER SERVICE - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider approval of an out-of-agency service contract submitted by the City of Redlands (hereinafter referred to as "the City"). Notice of this hearing has been advertised as required by law through publication in The Sun and the Redlands Daily Facts, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that the City of Redlands submitted an application for authorization to provide water service outside its corporate boundaries, in response to a request by the developer of a project described as "Tentative Parcel Map 15941". She reports that the County Land Use Services Department reviewed and considered this project, which involves the subdivision of a single parcel, totaling 8.67 acres, into two parcels and a

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

remainder for ultimate development as single-family residences in the Crafton area. She notes that the developer signed an agreement for annexation with the City in order to receive this service. Ms. McDonald says the County's land use process for the tentative parcel map was completed in August 2003. She says the City's Community Development Department reviewed the project and indicated that the development is in concert with the City's General Plan designation of Rural Living, allowing one dwelling unit per 2.5 acres. She says the City also prepared a Socio-Economic Impact Analysis for the Agreement for Annexation and that the City's review of the Agreement included an environmental assessment of the project. She says the staff report outlines the costs the developer is required to pay prior to connection to the City's water facilities and that authorization of the Agreement is required before the City can take final actions to implement the Agreement. She notes that the City of Redlands is the only water provider in the Crafton area.

Ms. McDonald says this application has been reviewed against the criteria established by Commission policy and Government Code Section 56133 and that the required findings are outlined in the staff report. She says the staff recommendation is that the Commission: (1) take the actions listed for environmental review on page one of the staff report; (2) approve SC#221 authorizing the City to extend water service outside its boundaries to Tentative Parcel Map 15941 on APN 0299-231-22; and (3) adopt LAFCO Resolution No. 2810 setting forth the Commission's findings, determinations and approval of the Agreement.

Chairman Smith opens the public hearing and calls on those wishing to speak.

Ernie Givens, President of the Mentone Area Community Association, speaks in opposition stating that back in 1982 or 1983 he attended a meeting conducted by the County in the Mentone area. He says students from Pomona College surveyed residents in the area as to what they felt would be the best land use designation for the agricultural area. Mr. Givens says it was determined that it should be one unit per five acre parcel, which he says was adopted by the County. He says he does not know why that changed but he reports that now in the area there are some houses on 2½ acres instead of five acres. He says this housing project on Walnut Street proposes six or eight houses, each on 2½ acre parcels. He asks whether it is a "given" that LAFCO will approve this service extension since the pipeline is already in and buried and the road is covered and fixed. He voices the same concern expressed in the previous hearing that there is only one Sheriff to patrol the Mentone area and he says there are no patrols in the Crafton area.

Chairman Smith asks whether there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Williams. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

CONSIDERATION OF: (1) FINAL ENVIRONMENTAL IMPACT REPORT ADOPTED BY CITY OF CALIMESA FOR DEVELOPMENT OF TENTATIVE TRACT NUMBERS 30386 AND 30387 (STATE CLEARINGHOUSE NO. 2002011078) AND MITIGATED NEGATIVE DECLARATION EA-2-91 AND ADDENDUM TO MITIGATED NEGATIVE DECLARATION EA-2-91 FOR TENTATIVE TRACT NO. 26811, AS CEQA RESPONSIBLE AGENCY FOR LAFCO 2949; (2) ADOPTION OF FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS; AND (3) LAFCO 2949 - REORGANIZATION TO INCLUDE ANNEXATIONS TO YUCAIPA VALLEY WATER DISTRICT AND ITS IMPROVEMENT DISTRICT NO. 1 (CITY OF CALIMESA, COUNTY OF RIVERSIDE) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider the annexation of approximately 109.4 acres to the Yucaipa Valley Water District (hereinafter referred to as "the District"). The annexation area is located at the eastern terminus of the Calimesa Golf and Country Club, at the northerly terminus of Singleton Road,

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

southeast of the intersection of Myrtlewood Drive and California Street, within the City of Calimesa in Riverside County. Notice of this hearing was advertised as required by law through publication in The Sun and the Riverside Press-Enterprise, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, Riverside County departments, those individuals requesting mailed notice, and landowners and registered voters surrounding the area pursuant to State law and Commission policy.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald shows the annexation area on the displayed map and explains that San Bernardino LAFCO is responsible for the review of this proposal as "principal county" for actions affecting the District, since the greater portion of the assessed valuation of all taxable property within the District lies within this County. She reports that the City of Calimesa General Plan designation is Residential Low (2-4 dwelling units to the acre) and she says the City of Calimesa processed applications for the two tentative tracts. She explains that the two lower parcels of the reorganization area are within the eastern portion of Tract 26811 and that the two northern parcels of the reorganization area are within Tract 30386. She says the majority of the area is within a valley containing rolling hills, immediately adjacent to the Calimesa Country Club, and existing residential development. She discusses the surrounding land uses, which are outlined in the staff report. Ms. McDonald reports that the District is willing to serve the parcels and has adopted a resolution of support and prepared and certified the Plan for Service. She says the Commission will be acting as a responsible agency for environmental review. She reports that the City of Calimesa processed the development application, which included the review of Tentative Tracts 30386 and 30387, and that for Tract 30386, the review included the adoption of an Environmental Impact Report (EIR) and a Statement of Overriding Consideration for this project, copies of which were provided to the Commission at the February hearing. She says the City of Calimesa processed a Negative Declaration with mitigation measures and an addendum to the Negative Declaration for its review of Tentative Tract 26811, copies of which were provided to the Commission at the February hearing. She says the necessary environmental actions to be taken by the Commission are outlined in the staff report and in Mr. Dodson's letter attached to the staff report.

Ms. McDonald reports that it has been verified by Riverside County that this proposal contains 100% landowner consent and is legally uninhabited. She says staff recommends that the protest proceedings be waived, as allowed under Government Code Section 56663, since the District consents to this waiver and there are no detaching agencies from which to seek affirmation. She points out that individual notification of this hearing was mailed to 249 landowners and 352 voters surrounding the area and that no response was received. Ms. McDonald says staff supports this annexation for those reasons listed in the staff report. She says the staff recommendation is that the Commission: (1) take the actions with respect to the environmental review for this proposal, as outlined on pages one and two of the staff report; (2) approve LAFCO 2949, subject to the standard terms and conditions; (3) waive the protest proceedings; and (4) adopt LAFCO Resolution No. 2811 setting forth the Commission's findings and determinations.

Commissioner Colven asks whether any comments were received from San Geronio Pass Water Agency since he says that agency is concerned about the absorption of groundwater in this area. Ms. McDonald says that agency was notified about this proposal but she says it did not respond. Commissioner Bagley comments that the study area is deep into Riverside County and he asks whether Riverside LAFCO has to approve this annexation. Ms. McDonald explains that Riverside LAFCO establishes the District's sphere in Riverside County but says that San Bernardino LAFCO conducts the annexation proceedings. She says Riverside LAFCO was included in the notification process and confirmed that this area is within the District's sphere of influence. She notes that for the Oak Valley project, Riverside LAFCO asked for a transfer of authority over the proceedings, which this Commission granted; but she says Riverside LAFCO reviewed this application but chose not to request a transfer of jurisdiction. Commissioner Bagley asks whether the parcels remaining on the south will come back to the Commission. Ms. McDonald says that area is very hilly and says a representative for one of the developments is present this morning and maybe can respond to that. Commissioner Bagley comments that if the situation were the other way around and the study area was so deep into San Bernardino

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

County, he might not be comfortable giving away authority over the proceedings. He says, however, that this is a wonderful example of inner-County cooperation.

Commissioner Sedano asks Ms. McDonald if she talked with George Spiliotis (Executive Officer of Riverside LAFCO). She responds that she did and says his office reviewed the map and legal description and circulated the application for comments.

Chairman Smith opens the hearing and calls on those wishing to speak.

Pat Meyer of Urban Environs, speaks in favor on behalf of landowners J.P. Ranch and Joseph Nicholas Homes. Mr. Meyer says he was also surprised to learn that San Bernardino LAFCO would be processing this application. He points out that this area is best described as a peninsula which is not within the District, but is within an overall master plan of about four different tentative parcel maps. Regarding the area to the south of this application, Mr. Meyer says Ms. McDonald and Mr. Spiliotis have a great working relationship and, as projects come forward to be annexed to the District, they will discuss which LAFCO is the appropriate agency to handle the annexation.

Commissioner Colven asks whether the District proposes to bring reclaimed water to this area from its facility on the other side of the area. Mr. Meyer says the landowners are in discussions with the District now. He reports that the landowners he represents created a wildlife corridor for this area of Calimesa and says they are working with the District to get the Golf Course on a reclaimed water system in exchange for some offsets.

Chairman Smith asks whether there is anyone else wishing to speak on this issue. There is no one and he closes the hearing.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

CONSIDERATION OF: (1) CEQA CATEGORICAL EXEMPTION FOR LAFCO 2950; AND (2) LAFCO 2950 - BARSTOW PARK AND RECREATION DISTRICT DISSOLUTION - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a proposal, jointly initiated by the governing bodies of the City of Barstow (hereinafter referred to as "the City") and the Barstow Park and Recreation District (hereinafter referred to as "the District"), to dissolve the District and assign the City as the successor entity. Notice of this hearing has been advertised as required by law and Commission policy through publication of one-eighth page display ads in The Sun and the Barstow Desert Dispatch, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that this proposal is the culmination of several years of dialogue between the agencies to resolve problems with the dwindling resources of the District for providing park and recreation services. She shows the boundaries of the City and District on the displayed maps and reports that the District was originally formed in 1947 as a entity governed by the County Board of Supervisors. She notes that it is presently the fourth largest District in the State, covering approximately 503 square miles, and includes the City and the majority of its sphere of influence, as well as all or portions of the communities of Lenwood, Hinkley, Barstow Heights and Fort Irwin. Ms. McDonald discusses that five years ago, the District became an independent special district after attempts to pass a special assessment for supplemental funding for the District failed. She says it was felt that an independent body could best address services for the community. However, she reports that the erosion of funding sources has continued to occur, requiring

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

downsizing of the District's operations. She notes that it has been pointed out in the materials submitted with this application that "Absent new taxes or grants or intervention by the City, the District is likely to face serious financial constraints in the future." Because of this, she says the District and City have focused on the preservation of services and came forward with a joint application to dissolve the District and have the City succeed to the District's operations.

Ms. McDonald discusses the four primary issues that the Commission must focus on this morning, which are outlined in the staff report. First, regarding the City/District boundaries, she says the Commission has reviewed the dissolutions of the Apple Valley, Twentynine Palms and Yucca Valley Park Districts. She points out that in each case, the city or town succeeded to the operation of the districts that were much larger than the city or town. She says staff is not aware of any problems associated with these transfers and says the park and recreation services have been maintained and provided without problems to the former districts. She says the disparity in the size of the two agencies' boundaries should not be of concern. She also points out that 7,505 of the District's 10,927 registered voters live within the City's boundaries.

Second, Ms. McDonald discusses the financial considerations of this proposal. She says the City and District have requested that, if approved, the completion date of the dissolution be deferred until July 1, 2004. She discusses that there will be certain restrictions, pursuant to Government Code Section 56885.5, on the activities of the District's Board of Directors if the deferral of the completion date is approved. She says the property tax revenue transfer to take place is outlined in the staff report and that the City and District adopted resolutions which identify that the bulk of the property tax revenues associated with the District will be transferred to the City to use in providing park services. She notes that the County modified its policy declaration regarding the standard transfer of revenues to address the issue of County Service Area 70 (CSA 70), Improvement Zone W, which provides fire and park and recreation services to the Hinkley community. She says the Park District revenues in three tax rate areas will be transferred to CSA 70 Zone W for park purposes. She discusses that the Appropriation Limit for the District, which has never been officially adopted by the District's Board or acknowledged in the District's annual audit, was adopted by the County Board of Supervisors in 1997-98, when the District was a dependent district. She says that Appropriation Limit, which is almost \$17 million, will be added to that of the City's following completion of the dissolution, as a condition of approval. She discusses budget information related to the District and says staff concurs with the City/District's position that fiscal efficiencies can be achieved through consolidation of the District's functions with those of the City.

Third, Ms. McDonald discusses the service considerations, stating that the City's Plan for Service outlines its goals and objectives which focus on improved recreation opportunities through the City. She notes that the City will absorb three full-time positions, two of which are occupied and one of which is vacant due to a retirement. She reports that the continued employment for the balance of the 25 part-time positions will be reviewed by the City on an as-needed basis.

Last, Ms. McDonald discusses the responses to this proposal. She says the City worked on the initial planning of this application through the creation of a Park and Recreation Subcommittee. She says staff advertised notice of this hearing in newspapers in the area and says this review was widely-publicized. She reports that one phone call was received from a property owner who did not live in the area and that nothing was heard from the general community. She says notification was provided to the State Director of Parks and Recreation, who had no objection to the dissolution but expressed concern regarding the transition of grants made to the District by that Department. She indicates that a copy of the State's letter was provided to the City. She says the Barstow Heights Community Services District (CSD) submitted a letter indicating a neutral position on this proposal, provided that the City succeeds to the existing contracts between the CSD and the Park District. She says that is a condition of approval.

Ms. McDonald states that the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed this proposal and determined it is exempt from environmental review since it will not alter the physical environment.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Ms. McDonald says the findings required by State law and Commission policy are outlined in the staff report and are made a part of the record by their reference herein. She says staff supports this application as a means to address the current dwindling revenue stream for the District. She thanks the City and District who she says have been very helpful to LAFCO staff in processing the application. She says the staff recommendation is outlined on pages one through three of the staff report and includes that the Commission: (1) determine that LAFCO 2950 is exempt from environmental review and direct the Clerk to file a notice of Exemption within five (5) working days; (2) approve the dissolution of the District, subject to the listed terms and conditions; and (3) adopt LAFCO Resolution No. 2812 setting forth the Commission's findings and determinations.

Commissioner Colven comments that he believes the City has a master park and recreation plan and he asks whether the assumption of the District's services will be incorporated into that plan or whether the plan will have to be reconstructed. Ms. McDonald responds that she believes the existing master plan for parks is in the City's General Plan. She says she thinks it addresses those issues within its sphere and may be part of an update. She says the existing District master plan needs to be updated and says that review will be undertaken by the City.

Commissioner Bagley comments that there is one park facility that is not within the City boundary and he asks what will happen with that facility. Ms. McDonald responds that the City will succeed to ownership of that park and will have to maintain it in perpetuity, as part of this dissolution process.

Chairman Smith opens the public hearing and calls on those wishing to speak.

Scott Priester, the City's Community Development Director, states that the resolution refers to the City as being 23.7 square miles but he says it is actually 40 square miles. Mr. Priester says the idea of this proposal is to maintain the quality of life and the service of park and recreation amenities in the area. He says the City and District have been working on this proposal for quite a while and have received no negative comments or opposition. He says they believe there will be efficiencies with the City taking over these services and using its personnel and finance services. He points out that most of the park services and amenities are within the City or its sphere and says only one park is outside the City limits. He says the City agrees with all the conditions and that deferral of the completion date to July 1 will help with the transition period. He says how these services will be governed will be discussed within the next month by the City Council. Mr. Priester thanks LAFCO staff for its work on this proposal and says he hopes the Commission will approve the dissolution. In answer to Commissioner Colven's inquiry, he says the City has a park and recreation element in its General Plan and will amend its General Plan and do an update to the master plan.

Commissioner Bagley moves approval of staff recommendation, seconded by Commissioner Pearson.

Commissioner Hertzmann asks whether the previous park dissolutions went well. Ms. McDonald responds that they have. Commissioner Bagley says this same type of situation happened with the City of Twentynine Palms when the Twentynine Palms Park District was dissolved. He says it is a winning situation, although there are adjustments. Ms. McDonald says the dissolution of the Apple Valley Park District and the assumption of its operation by the Town of the Apple Valley has been very positive. Commissioner Pearson comments that one thing that has worked out well in all the cases is the fact that cities tend to have stronger grant writing departments, which brings in money to augment park and recreation activities.

Mary Ann Serafin, Director of the Park District, says the District feels this dissolution will be in the best interests of the District and the community.

Commissioner Sedano congratulates the City and District for working together and saving the people "big bucks".

Chairman Smith asks whether there is anyone else wishing to speak on this matter. There is no one and he closes the hearing.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Chairman Smith calls for any objections to Commissioner Bagley's motion to approve staff recommendation. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

CONSIDERATION OF REQUEST FOR WAIVER OF FILING FEES SUBMITTED BY CITY OF BIG BEAR LAKE FOR LAFCO 2955 - REORGANIZATION TO INCLUDE ANNEXATIONS TO CITY OF BIG BEAR LAKE AND BIG BEAR LAKE FIRE PROTECTION DISTRICT AND DETACHMENTS FROM COUNTY SERVICE AREA 53, IMPROVEMENT ZONES A, B AND C (HOLLOWAY'S MARINA) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a hearing to consider a request for waiver of filing fees submitted by the City of Big Bear Lake for LAFCO 2955 - Reorganization to Include Annexations to the City of Big Bear Lake and Big Bear Lake Fire Protection District and Detachments from County Service Area 53, Improvement Zones A, B and C. Notice of this hearing has been advertised as required by law by through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies and County departments.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that the City initiated this request on behalf of the property owner who wants to clarify his land holdings along the shoreline of Big Bear Lake in the area known as Holloway's Marina. She says the total estimated fee payment would be about \$5,000. She clarifies that the actual costs for services related to environmental assessment, landowner notification and services of the Registrar of Voters are applied against the required deposits. She explains that if the charges are less than the deposits, the amounts are refunded; and if the charges exceed the deposits, the proponents are billed for the additional costs.

As outlined in the City's letter attached to the staff report, Ms. McDonald says it believes the application represents an island, as defined in Government Code Section 56375.3, and qualifies for a reduction in filing fees to a required deposit of \$750. She says staff disagrees with the City's interpretation for those reasons outlined in the staff report and recommends denial of the request for waiver. She says there are costs incurred for processing this application and that the applicants should pay those costs.

Commissioner Hertzmann says he will not make a plea for the Commission to help his City, even though the City could use the money. He says he is interested in the interpretation of the law because it says an area would be considered an island if it were surrounded by the city and the Pacific Ocean or county. He says the City does not reach quite that far, but that it is the County boundary. Ms. McDonald says the law makes reference to a county line, not the boundary between unincorporated and incorporated territory. She notes that there is a move to change that definition from the Pacific Ocean to bodies of water. Commissioner Hertzmann says this area has been a "pain" for a long time and that the City has been providing services there, even though it is partially County property. Ms. McDonald explains that where areas have been reclaimed from the Lake, the land has been raised to a level to where it appears that it is a part of the City. However, she explains that the City's boundary is established at an elevation point that existed in 1947 and does not change.

Chairman Smith opens the hearing and asks if there is anyone wishing to speak. There is no one and he closes the hearing.

Commissioner Colven moves approval of staff recommendation, seconded by Commissioner Williams. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

CONSIDERATION OF WAIVER OF LEGAL COUNSEL CONFLICT LETTERS FOR LAFCO 2923 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR CITY OF COLTON, LAFCO 2954 -

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

CITY OF FONTANA ANNEXATION NO. 156 AND LAFCO 2955 - REORGANIZATION TO INCLUDE ANNEXATIONS TO CITY OF BIG BEAR LAKE AND BIG BEAR LAKE FIRE PROTECTION DISTRICT AND DETACHMENTS FROM COUNTY SERVICE AREA 53, IMPROVEMENT ZONES A, B AND C (HOLLOWAY'S MARINA) - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider authorizing the Chairman to sign three waiver of legal counsel conflict letters for LAFCO 2923 - Service Review and Sphere of Influence Update for City of Colton, LAFCO 2954 - City of Fontana Annexation No. 156 and LAFCO 2955 - Reorganization to Include Annexations to City of Big Bear Lake and Big Bear Lake Fire Protection District and Detachments from County Service Area 53, Improvement Zones A, B and C (Holloway's Marina). Notice of this matter has been advertised through publication in The Sun, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies and County departments.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that LAFCO Legal Counsel Clark Alsop's law firm, Best Best & Krieger, acts as City Attorney for the Cities of Big Bear Lake, Colton and Fontana. She says these applications are anticipated to be non-controversial and that the staff recommendation is that the Commission authorize the Chairman to sign the consent to waive any conflict for each proposal.

Chairman Smith opens the hearing and asks whether there is anyone wishing to speak on this matter. There is no one and he closes the hearing.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Bagley. Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

CONSIDERATION OF WAIVER OF REQUIREMENT IN GOVERNMENT CODE SECTION 57090(a) THAT NO SUBSTANTIALLY SIMILAR PROPOSAL FOR A CHANGE OF ORGANIZATION OF THE SAME OR SUBSTANTIALLY THE SAME TERRITORY MAY BE FILED WITHIN ONE YEAR AFTER THE DATE OF ADOPTION OF THE CERTIFICATE OF TERMINATION, AT REQUEST OF CITY OF UPLAND FOR PROPOSED ANNEXATIONS IN COLLEGE HEIGHTS AREA - APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider a request submitted by the City of Upland (hereinafter referred to as "the City") for a waiver of the one-year filing restriction for a proposal to annex the same or substantially the same territory that was terminated by voter protest. Notice of this hearing has been advertised as required by law through publication in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO office and is made part of the record by its reference herein. Ms. McDonald states that Government Code Section 57090(b), a copy of which is attached to the staff report, allows a waiver of the one-year restriction if the Commission finds that such a restriction is detrimental to the public interest. She says the City's letter requesting this waiver, a copy of which is attached to the staff report, outlines what it perceives the detriment to be. She summarizes the City's statements, as outlined in the staff report. She points out that the Commissioners have been presented this morning with letters from the Chino Basin Water Conservation District and the Upland Community Redevelopment Agency seeking support for the waiver. Ms. McDonald says the City has not submitted a map or legal description of its proposed annexation but has indicated to staff that it will attempt, as much as possible, to respect the wishes of the residents who objected to the College Heights annexation. She says a waiver would allow for a consolidated application, rather than the potential for a piecemeal approach with single-landowner applications. She points out that any proposed annexation will still require LAFCO review and must meet

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

the parameters for effective and efficient service delivery. She says that although somewhat ambivalent, staff would support approval of the waiver on the basis that it will alleviate the individual annexation application process. She says if the Commission does not approve the waiver of the one-year restriction, the City could return in November with another application addressing the College Heights area.

Ms. McDonald says the staff recommendation is that the Commission: (1) find that the one-year filing restriction is detrimental to the public interest; and (2) waive the one-year filing restriction and allow for submission of substantially the same application.

Commissioner Colven asks whether there is any appeal to this decision since people would be precluded from making application for annexation. Ms. McDonald responds that there is no appeal; but she says the City could return in November with the same or substantially the same application and that private landowners could propose annexation in the College Heights at any time through property-owner initiated annexations. She says that is what is contemplated by the Chino Basin Water Conservation District and the Claremont Colleges, based on their need for services.

Chairman Smith opens the hearing and calls on those wishing to speak.

Jeff Bloom, Director of Community Development, states the Chino Basin Water Conservation District and Claremont Colleges have worked with the City for several years on various cooperative agreements and development opportunities which are all connected to City services and activities in the City. He reports that in the last year the City acquired surplus Flood Control District property on which it anticipates building a new City animal shelter. He says all these projects have been left in limbo due to the failure of the College Heights annexation. He says City staff has been working with LAFCO staff to attempt to come up with logical boundaries to resubmit for annexation that will respect the wishes of the individuals who did not support the original annexation. He says they are trying to avoid the submission of individual property owner-initiated applications and he reports that the City has asked the Chino Basin Water Conservation District to wait and give the City a chance to try to do a more comprehensive approach to annexation. However, he says if the City is unable to do that, the Water Conservation District will proceed with its own application. In response to inquiry of Commissioner Colven, Mr. Bloom says the City is working on a new annexation boundary and hopes to submit an application in the next month or two. He says if they have to wait until November, it daunts the development potential for a couple of properties and "makes a mess" of redevelopment plans and financing the City is hoping to do for the new animal shelter. He says the City is aware that there will be the same protest process and the same issues to face as with the original annexation, but he says they will respond to Commissioner Sedano's concern that they talk to the people in the area about what is contemplated by the City.

Chairman Smith asks if there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Pearson moves approval of staff recommendation, seconded by Commissioner Colven. Commissioner Sedano states that he thinks the City is "on track". Chairman Smith calls for any objections to the motion. There being none, the voice vote is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

Before moving on to the next item, Ms. McDonald says she understands that someone in the audience did wish to speak on the Upland waiver item, but she says he did not hear the Chairman ask for further speakers. She asks whether the Commission would like to hear from him now or whether he should wait until the Public Comment portion of the agenda since the hearing is over. Chairman Smith states he can speak during the Public Comment period.

CONSIDERATION OF STAFF REORGANIZATION AND RELATED TERMS OF EMPLOYMENT AMENDMENTS - APPROVE ALCOCK & MCFADDEN'S RECOMMENDATIONS RELATED TO TERMS OF EMPLOYMENT AND JOB DESCRIPTIONS

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

LAFCO conducts a public hearing to consider a staff reorganization and related Terms of Employment amendments. Notice of this hearing has been advertised as required by law through publication in The Sun, a newspaper of general circulation.

Executive Officer Kathleen Rollings-McDonald 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. Ms. McDonald states that at the January 2004 hearing, the Commission authorized contracting with Alcock & McFadden to review its existing Terms of Employment and job descriptions proposed for positions in the LAFCO office. She says that in January the Commission adopted the job description for the LAFCO Analyst position, allowing recruitment for that position, which resulted in the hiring of Samuel Martinez. She says that Mary Alcock has completed this review and is present today to discuss her recommendations. Ms. McDonald says a copy of the Commission's current Terms of Employment is attached to the staff report, along with Ms. Alcock's recommended changes to that document. She notes that the last full amendment to that document was in 2002, when it was reviewed and compared with the Exempt Compensation Plan adopted by the County. She says also attached to the staff report are proposed modifications recommended by Ms. Alcock to the job descriptions prepared by staff, as well as examples of supplemental job descriptions for additional positions for Commission review that would provide for growth opportunities within the LAFCO personnel structure. She says that once the job descriptions for the Clerk and Deputy Clerk positions are approved, staff will return with an analysis of the appropriate salary level for those positions. She states that staff believes that the salary levels previously proposed for these positions are accurate, based on a review of positions with like LAFCO staff in the Southern California area. Ms. McDonald says that staff agrees with Ms. Alcock's recommendations that performance standards need to be adopted and evaluation methods put in place, especially for the Executive Officer position.

Chairman Smith opens the hearing and calls on those wishing to speak.

Mary Alcock states that the review of the Commission's Terms of Employment was challenging because of the age of the document. Ms. Alcock says she has presented proposed changes to the document as it stands; but she says her overall recommendation is that the current document be shelved and that new "Personnel Policies and Procedures" be written to reflect current Human Resources trends. She says the proposed job descriptions are fairly typical of a LAFCO organization, but says they lacked any type of career development movement. She says she provided three sample job descriptions that could be developed in the Analyst category. She reports that she assisted the Orange LAFCO in becoming an independent agency and says she has worked with CALAFCO on its Statewide compensation survey and will be conducting another survey this Fall for all LAFCOs in the State. She asks if there are any questions.

Commissioner Sedano asks about the Desk Inspection Policy in the sample Policies and Procedures in Attachment 2. Ms. Alcock says that is a sample draft table of contents for Policies and Procedures that could be developed for this Commission. She says a desk inspection policy is recommended. She explains that many organizations adopt such a policy to address the concern about drugs and violence in the work place. She says this policy is written in a way that it will be used with a lot of discretion. She says there is a reasonable assumption of privacy, but says it is an employer's right to go through an employee's desk and e-mail. Commissioner Sedano comments that times have really changed and that it is deplorable that they would need to have a policy like that.

Legal Counsel Clark Alsop states this is not a requirement, but is a policy decision for the Commission. He says, however, that it is the recommendation of a professional Human Resources Consultant that the Commission have such a policy. Mr. Alsop points out that this is not an issue before the Commission today because that is just a sample Table of Contents for what the policies could look like, if the Commission follows Ms. Alcock's recommendations. Ms. Alcock states there are several policies that need to be added to or updated in the Terms of Employment and she reiterates that her suggestion is that they start over with a new document.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Commissioner Hertzmann comments that he supports Ms. Alcock's recommendation No. 9 about reviewing the practice of tying the County compensation to LAFCO's, since LAFCO is an independent agency." He says the Commission talked a little about that in January and he says the Commission loses control if it says that every time something changes with the County, it must automatically change with LAFCO. Ms. Alcock says her firm has some experience with this and strongly believes that the Commission, as an independent agency, should hold its benefits to the pleasure of the Commission as far as what it adopts year-to-year.

Commissioner Hertzmann comments that the Terms of Employment indicate that a full-time employee is defined as someone working 20½ hours for purposes of receiving benefits and he inquires whether that is common in the County. Ms. Alcock responds that normally the minimum hours required to be worked is 32, sometimes 30. She says the County may have negotiated medical plans in a way that allows participation of employees working less than 30 hours.

Commissioner Hertzmann asks whether LAFCO employees are members of a County bargaining unit. Ms. McDonald says they are not part of a bargaining unit. She says the Commission contracts with the County for benefits and has mirrored the benefit plan of the County for ease of operation. Ms. Alcock comments that one of her recommendations is that the benefit section be pulled out of the Terms of Employment because benefits change and are more fluid than many of the Human Resources laws and regulations. She says that would allow changes to be made to benefits separate from changing an adopted Policies and Procedures Manual.

Ms. Alcock points out that in Attachment 2 to the staff report, behind the Sample Table of Contents, are ten fairly major recommendations for changes to the Terms of Employment. Commissioner Hertzmann discusses that he supports No. 8 and says he has never liked a leave policy without caps on it because he likes to encourage employees to take a vacation. He says he also noted that an employee gets paid off for unused sick leave, vacation and administrative leave. He points out that cost to the Commission could be six weeks after an employee has been there one year, which he says is quite a bit.

Commissioners Sedano and Smith comment that Ms. Alcock did an excellent job on this review.

Chairman Smith asks if there are any further questions and there are none.

Mr. Alsop says that staff is recommending a variety of changes to the Commission's policies and procedures that will create different documents. He says the Commission's actions today will not approve those new documents but will approve a process to create those documents. He notes, however, that they can approve the job descriptions today.

Commissioner Williams states that Ms. Alcock is recommending that the Terms of Employment be "scrapped" and she asks Ms. McDonald's opinion on that recommendation. Ms. McDonald responds that her recommendation would provide for a much easier document to administer if it is broken up in the way she recommended. She says staff supports that, as well as the development of performance standards for the jobs, and adoption of the job descriptions as modified by Ms. Alcock.

Mr. Alsop points out that Ms. Alcock's general recommendations are in two parts and are outlined on page two of Attachment 1 to the staff report. Chairman Smith asks whether Mr. Alsop is comfortable with these recommendations. Mr. Alsop says he is, because this document was written back in 1982.

Commissioner Pearson moves approval of the three recommendations listed for the "Terms of Employment", as outlined on page two of Ms. Alcock's proposal for "General Recommendations – Human Resources Programs". The motion is seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

Commissioner Pearson moves approval of the three recommendations listed for the Job Descriptions, as outlined on page two of Ms. Alcock's proposal for "General Recommendations – Human Resources

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Programs". The motion is seconded by Commissioner Colven. Chairman Smith calls for any objections to the motion. There being none, the voice vote on the motion is as follows: Ayes: Bagley, Colven, Pearson, Smith, Williams. Noes: None. Abstain: None. Absent: Biane and Young.

PENDING LEGISLATION

Executive Officer Kathleen Rollings-McDonald presents a staff report on pending legislation, a copy of which is on file in the LAFCO office and is made part of the record by its reference herein. She reports that on February 27 she attended her first CALAFCO Legislative Committee meeting and has provided the Commission with the materials she received at that meeting, as well as information related to proposed legislation to resolve a local concern. She notes that SB 1774 would limit the number of times a sphere of influence could be amended during a year and says she is not sure what problem this bill is supposed to resolve. Legal Counsel Clark Alsop reports that he was told that Peter Detweiler, Senate Local Government Committee Consultant, was asked by the Chair of that Committee to put in a "placeholder" bill. Mr. Alsop says Mr. Detweiler had the language in SB 1774 ready and inserted it in for a "placeholder" bill. Ms. McDonald notes that AB 2779 as currently drafted would increase the acreage limitation for the special "island" annexation provisions from 75 acres to 80 acres. She says no official position has been taken by CALAFCO on this bill since it was just introduced on February 20, but she says she believes the Commission would support a larger acreage limitation, such as 100 acres, to allow for broader use of these special provisions.

Ms. McDonald discusses SB 1414, a bill she says has created furor south of the Tehachapis because it reads "Section 1. It is the intent of the Legislature to enact legislation to consolidate various local water agencies in southern California". She reports that she contacted Senator Brulte's office and talked to his Legislative Analyst and his local representative David Caine, and learned that this is a "placeholder" bill to allow for a means to address water issues on top of the mountain. She explains that these water concerns stretch from Crestline to Big Bear and that the concerns mostly relate to the issue of the drop in the water level in Lake Arrowhead. She points out that Lake Arrowhead is not part of the Crestline-Lake Arrowhead Water Agency (CLAWA) and says the anticipated cost for annexation of the Lake Arrowhead Woods area to that Water Agency would be in the range of \$40 million. She notes that these water issues are more complicated now by a Department of Water Resources opinion that no one has a right to use Lake water for anything other than recreation purposes. She says this bill has been provided to the Commission for information purposes, along with a copy of a response received from the CLAWA General Manager. She says staff has been contacted by a number of water agencies on top of the mountain who want LAFCO to keep on top of this issue. She reports that she brought this to the attention of the CALAFCO Legislative Committee. Mr. Alsop comments that the issue really is how to provide additional supplemental water to the Lake Arrowhead area. He explains that many years ago, the property in that area opted out of the Crestline-Lake Arrowhead State project water process and now the question is how they will get supplemental water.

Ms. McDonald states she hopes to provide the Commission with a written report monthly and she asks that the Commissioners let her know if there is anything they would like her to bring to the attention of the Legislative Committee, or if there is some legislation they would like tracked.

Commissioner Colven asks Mr. Alsop whether he has any insight into a lawsuit in the Lake Arrowhead area regarding the fact that the Lake was originally designed for recreational purposes and not water for the community. Mr. Alsop says he is not familiar with any lawsuit but he explains that Ms. McDonald was referring to an objection to the State by a community resident about whether Lake water could be used for drinking water, as opposed to being used for recreational purposes. He reports that the State Water Resource Control Board said it could not be used for drinking water because its use is recreational. Commissioner Colven points out that this individual is also an attorney and is going to try to bring a lawsuit because of the State Water Resource Control Board's recommendation. Mr. Alsop responds that this individual is a Deputy City Attorney for the City of Los Angeles and is a Board Member on the Lake Arrowhead Community Services District, but he says he does not know anything more about that issue.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

EXECUTIVE OFFICER'S ORAL REPORT

Ms. McDonald presents a staff report which contains a memo from Legal Counsel Clark Alsop regarding whether or not the proposed dissolution of County Service Area 60 (CSA 60) would constitute a "license, permit or other entitlement for use". Ms. McDonald reports that it is Mr. Alsop's opinion that it does not. A copy of this staff report is on file in the LAFCO office and is made a part of the record by its reference herein.

Ms. McDonald states that Mr. Alsop has indicated in his memo that his opinion does not immunize the Commissioners if the Fair Political Practices Commission (FPPC) rule otherwise. She asks whether the Commission wants staff to contact the FPPC and request a written opinion on this question.

Mr. Alsop explains that the underlying issue is whether campaign contributions count in determining income for purposes of disqualification before this Commission on this item. He says if this proposal does constitute a "license, permit or entitlement for use", then any Commissioner who received more than \$250 from a campaign contributor would not be able to participate in the hearing on this dissolution. He explains that the FPPC has ruled that annexations and detachments are permits or entitlements for use because there is a private party waiting in the wings to do something after approval of the proposal. He says he concluded that this dissolution is not a permit because they are talking about 1,730 miles of territory, CSA 60 and the Airport exist, and the proposal is a government reorganization to dissolve the District and have the existing Town of Apple Valley assume the service of running the Airport. He says this proposal involves a number of people, all with the same interests, with an existing facility and an existing Town to run it, so he does not believe this dissolution would trigger the requirement that a Commissioner would have to abstain from participating in the hearing if he received a campaign contribution. However, Mr. Alsop says the FPPC may not agree with his opinion. He says if anyone on the Commission has received campaign contributions from anyone involved with this proposal, he may want to abstain or request a written opinion from the FPPC. He points out that an oral opinion will not work and a written opinion is required. He does remind the Commissioners, however, that campaign contributions aside, if anyone received income in some way from a participant in this process, he would be disqualified from participating in the hearing.

Commissioner Bagley comments that the County Supervisors might have a concern with issue, but says they are not present today to comment. Ms. McDonald says that given the size of the application, with approximately 170,000 voters and 250,000 estimated parcels and property owners, the County Supervisors probably would have a concern. Commissioner Bagley asks whether there is any cost involved in getting this opinion. Mr. Alsop says there is no cost for asking for an opinion from the FPPC. He notes, however, that he has requested an opinion from the FPPC before and received a response from them that they would not answer.

Commissioner Bagley says this is one of the most complicated proposals to come before the Commission so he thinks they should ask for an opinion from the FPPC. Commissioner Colven says he agrees with Commissioner Bagley and they should err on the side of being safe.

Mr. Alsop states he will request a written opinion from the FPPC on this question on behalf of the entire Commission.

Ms. McDonald reports that on the April 21 agenda will be a review of the Audit Report for the Fiscal Year ending June 30, 2003, the preliminary review of the proposed Fee Schedule and Budget, and service reviews for the West Valley Water District and the City of Grand Terrace.

Commissioner Bagley asks about the status of the County Service Area 60 (CSA 60) dissolution. Ms. McDonald says staff had the Departmental Review Committee meeting on that proposal last week with representatives of the County, the Town of Apple Valley, the County Administrative Office, and the

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

Airports Department. She reports that the San Bernardino Public Employees Association, representing the County Airports Department employees, is now a part of this issue. She says the County's position is to oppose the dissolution and says it is a minimum of six months away from being heard. She says a committee was formed to address the governance for the Apple Valley Airport and says Commissioner Pearson is a member of, and she is an advisor to, the committee. She adds that the proposal is being processed and that additional information from the various agencies has been requested. Commissioner Pearson comments that a monthly pilots meeting a week ago was used as an opportunity for a "mini" Town meeting to address the concerns and questions of many of the people around the Airport. He says two Town Council members, including the Mayor, the Town Manager and the Directors of Economic and Community Development and Budget and Finance were present and answered questions.

Ms. McDonald reports that the City of Hesperia, which is part of CSA 60, has requested that property tax revenues that fund CSA 60 be returned to the City. She says the City has also asked about proposing detachment of the City from CSA 60 if the dissolution proposal fails, so she says many side issues are coming up as a result of processing the application.

Ms. McDonald reports that at the May 19 hearing, the annual seating of members selected for new terms will take place. She says Commissioner Bagley was reelected as Regular City Member and that the Special Districts Selection Committee will meet on April 8, since Commissioner Smith's term expires. She notes that Commissioner Sedano's term expires in May and says the Alternate Public Member recruitment will open on March 24, with interviews and selection taking place at the May hearing. She says that also in May the Commission will select a new Chairman and Vice Chairman, adopt the Fee Schedule and Final Budget and consider annexations to the Cities of Fontana, Big Bear Lake and Upland. She says there is a remote possibility that two City of Hesperia reorganizations will be on that agenda but says that is contingent upon the receipt of information regarding the detachment of Zone J and water facilities. She says she would like to wrap up the East Valley service reviews in June, if possible. She reports that three new applications were received this month, which means that nine have been received since January 1, while typically about 12 are received in one year.

Commissioner Pearson asks about the status of the discussions related to the continued viability of Resource Conservation Districts (RCDs), noting that the Mojave Desert RCD wants to be a part of those discussions. Ms. McDonald reports that she has contacted that District and it has submitted some information. She says staff will be getting together with the staffs of the four RCDs to go over questions and request additional information from them.

In response to inquiry of Chairman Smith about service reviews for fire agencies that provide service in both the East and West Valleys, Ms. McDonald says the service reviews are being done regionally. She says the service review for the Central Valley Fire Protection District will be coming up and explains that it was not taken up during the reviews for the West Valley agencies because of the County Fire study that was taking place during that time. She says the Commission will be looking at CSA 38 since the majority of its area in the Valley is within the East Valley.

COMMISSIONER COMMENTS

Chairman Smith calls for any comments from the Commissioners. There are none.

COMMENTS FROM THE PUBLIC

Chairman Smith calls for comments from the public. Stan Hoffman, a resident of Upland and a property owner in the College Heights area, apologizes for not hearing the Chairman call for speakers during the hearing on the City of Upland's request for a waiver of the one-year filing restriction. Mr. Hoffman says the problem is that the City does not like to communicate with people to let them know what the City's objectives are and what it is trying to accomplish. He says if the City submits an application for the exact same area again, the result will be the same as far as voter protest, with possibly even more protests. He asks whether the City will have to follow the same procedure as it did before, and what this waiver

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 17, 2004**

actually does. Ms. McDonald explains that this waiver relates only to the timing for filing the application and she says it does not remove any of the requirements for processing and environmental review, nor does it limit the Commission's review and consideration. She says the City still must submit a Plan for Service that shows an effective and efficient service boundary. Mr. Hoffman comments that the City only deals with people who have vacant land and will not talk with the people who have developed land. He says the City could solve a lot of its problems if it would just get together with the people and tell them what their plans are for the future. He says he is a strong opponent of redevelopment money and says he has seen about a half dozen projects in the 40 years he has lived in Upland go sour because of the City's mismanagement. Mr. Hoffman says opposition to annexation is still there but he says that some people have changed their minds because of "sweetheart" deals the City made with them.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS
ADJOURNED AT 11:15 A.M.**

ATTEST:

DEBBY CHAMBERLIN
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

GERALD W. SMITH, Chairman