

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

REGULAR MEETING

9:00 A.M.

JUNE 15, 2011

PRESENT:

COMMISSIONERS: Robert Colven, Alternate
Ginger Coleman
Kimberly Cox
James Curatalo, Vice-Chairman
Neil Derry, Alternate
Brad Mitzelfelt, Chairman
Janice Rutherford
Robert Smith, Alternate
Diane Williams, Alternate

STAFF: Kathleen Rollings-McDonald, Executive Officer
Paula DeSousa, Legal Counsel
Samuel Martinez, Senior LAFCO Analyst
Michael Tuerpe, LAFCO Analyst
Anna Raef, Recording Secretary
Rebecca Lowery, Deputy Clerk to the Commission

ABSENT:

COMMISSIONERS: Jim Bagley
Larry McCallon

STAFF: Clark Alsop, Legal Counsel

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION
COMMISSION – CALL TO ORDER – 9:03 A.M. – WIB MEETING ROOM, 215 North
D Street, Second Floor, San Bernardino**

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

SWEAR IN REGULAR BOARD OF SUPERVISOR MEMBER, BRAD MITZELFELT

Recording Secretary Anna Raef administers the oath of office to Regular Board of Supervisors Member Brad Mitzelfelt.

**ELECTION OF CHAIRMAN AND VICE-CHAIRMAN – COMMISSIONER MITZELFELT
ELECTED CHAIRMAN; COMMISSIONER CURATALO ELECTED VICE CHAIRMAN**

Executive Officer Kathleen Rollings-McDonald presents the staff report for the election of the Chairman and Vice Chairman, a copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Commissioner Cox nominates Commissioner Mitzelfelt as chairman and Commissioner Curatalo as vice-chairman, seconded by Commissioner Williams. Ms. McDonald calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

CONSENT ITEMS – APPROVE STAFF RECOMMENDATIONS

3. Approval of Minutes for Regular Meeting of April 21, 2011
4. Approval of Executive Officer's Expense Report
5. Ratify Payments as Reconciled for Months of April and May 2011 and Note Cash Receipts

A Visa Justification for the Executive Officer's expense report, as well as a staff report outlining the staff recommendation for the reconciled payments have been provided, copies of each are on file in the LAFCO office and are made a part of the record by their reference here.

Commissioner Cox moves approval of the consent calendar as amended, seconded by Commissioner Coleman. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

PUBLIC HEARING ITEMS

CONSENT ITEMS DEFERRED FOR DISCUSSION - None

**PRESENTATION BY CALAFCO EXECUTIVE DIRECTOR WILLIAM CHIAT
REGARDING SAN BERNARDINO LAFCO HOSTING A CALAFCO CONFERENCE IN
2014**

Bill Chiat, Executive Director of California Association of LAFCOs (CALAFCO), states that it is a pleasure to be here representing the CALAFCO Board of Directors and invites the Commission to consider hosting the 2014 CALAFCO Conference. He says this is a great opportunity for the host County to showcase their area and there has never been a CALAFCO Conference in San Bernardino County. He notes that last year's conference was held in Palm Springs and this year's will be in Napa. Next year's will be held in Monterey and 2013's will be held in the Lake Tahoe area, when CALAFCO will celebrate its 50th anniversary. He explains that CALAFCO does all the administrative preparation for the conference, including making arrangements with the hotel, registration, collection of conference fees, etc. The host LAFCO is strongly involved in preparation of the program, mobile workshop planning, and meal planning.

Commissioner Cox asks about how many usually attend the event, to which Mr. Chiat responds that approximately 275 to 300 attendees is the norm. Ms. McDonald notes that the mobile workshop is usually the premier event of the conference. Discussion is held regarding the venue to which Ms. McDonald suggests Ontario or the Lake Arrowhead Resort.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

Commissioner Derry asks when the conferences are held. Mr. Chiat responds that they are usually in late August or early September, and occasionally in October.

Commissioner Williams moves to direct staff to work with CALAFCO on hosting the event, seconded by Commissioner Coleman. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR SCHEDULE OF FEES, DEPOSITS AND CHARGES REVISIONS; AND (2) REVIEW AND ADOPTION OF SCHEDULE OF FEES, DEPOSITS AND CHARGES FOR FISCAL YEAR 2011 – APPROVE STAFF RECOMMENDATION

LAFCO conducts a continued public hearing to review and consider adoption of its Schedule of Fees, Deposits and Charges for Fiscal Year 2011-12, to be effective June 15, 2011. Notice of the original hearing on April 21, 2011 was advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, Cities/Towns, Independent Special Districts, the County and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Ms. McDonald states that the proposed fee schedule was forwarded to the County, cities/towns, and independent special districts for their review and comment as required by law. During that period, no comments were received from any agency. She notes that two minor changes are made to the original schedule as described in the staff report. Ms. McDonald states that LAFCO staff recommends that the Commission take the recommended actions to adopt the Schedule of Fees, Deposits and Charges to be effective June 15, 2011.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

Chairman Mitzelfelt closes the public hearing.

Commissioner Cox moves approval of the staff recommendation, seconded by Commissioner Coleman. Chairman Mitzelfelt calls for opposition to the motion. There being no opposition, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

**REVIEW AND ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2011-12 –
APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing for the review and adoption of the Final Budget for Fiscal Year 2011-12. Notice of this hearing has been advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, all Cities/Towns, Independent Special Districts and the County.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Ms. McDonald reports that the proposed budget and apportionment schedule were forwarded to all Cities/Towns, Independent Special Districts and the County of San Bernardino for review and comment as required by law. She states that during that period no comments were received.

She states that the staff recommendation is to:

1. Adopt the Fiscal Year 2011-12 Final Budget with the apportionment of net LAFCO costs based upon the County Auditor's information provided to the Commission.
2. Approve the contract with Riverside LAFCO for Clerical support and authorize the Executive Office to sign; approve contract amendment #2 with the Executive Officer extending the contract to June 30, 2013 with hourly rate increases and authorize the Chairman to sign; and approve contract amendment #1 with Anna Raef extending the contract to June 30, 2012 for a per hour rate of \$33 and authorize the Executive Officer to sign.
3. Authorize the conversion of the LAFCO Office work schedule to a 9 day, 80 hour per pay period schedule with closure of the LAFCO office every other Friday beginning the week of July 18, 2011.
4. Direct the Executive Officer to submit to the County Auditor/Controller/Tax Collector the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as provided in the Final Budget presented to the Commission.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

Chairman Mitzelfelt closes the public hearing.

Commissioner Coleman moves approval of the staff recommendation, seconded by Commissioner Curatalo. Chairman Mitzelfelt calls for opposition to the motion.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

There being none, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

**APPROVAL OF COMPENSATION AND BUDGET DISCLOSURE POLICY –
APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing for the approval of the compensation and budget disclosure policy. Notice of this hearing has been advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies & County departments.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Ms. McDonald reports that over the last year much discussion has revolved around the issue of transparency in public payments for employees and elected/appointed representatives. She states that CALAFCO has addressed this question and has provided guidelines for LAFCOs to disclose their budget and compensation. LAFCO staff concurs with the CALAFCO guidelines and is proposing that the Commission adopt a policy to specify its disclosure requirements.

She states that the staff recommendation is to adopt Policy 39 – as follows:

POLICY 39 – DISCLOSURE OF LAFCO COMPENSATION AND BUDGET

In order to provide the residents, landowners and government agencies within San Bernardino County the ability to easily determine the costs for operating San Bernardino LAFCO, the Commission hereby requires its staff to post the following information and/or documents on the Commission's website, accessible directly from its homepage:

- a. Current Fiscal Year Budget
- b. Annual Compensation Paid to Each Commissioner from the Local Agency Formation Commission for the Preceding Calendar Year.

Annual Compensation Paid by LAFCO for each employee position, which shall include salary and total benefit costs in the current budget and those reported on the most recent W-2.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

Chairman Mitzelfelt closes the public hearing.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

Commissioner Cox moves approval of the staff recommendation, seconded by Commissioner Rutherford. Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

REVIEW AND CONSIDERATION OF CHANGES TO INTERNAL OPERATIONS GUIDELINES, LAFCO HUMAN RESOURCES POLICIES AND GUIDELINES AND LAFCO BENEFITS PLAN – APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to consider Review and Consideration of Changes to Internal Operations Guidelines, LAFCO Human Resources Policies and Guidelines and LAFCO Benefits Plan. Notice of this hearing has been advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies and County departments.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. Ms. McDonald reports that a number of actions have been taken recently regarding LAFCO's benefit plan. She says the internal operations guidelines and human resources policies and guidelines were developed by Alcock and McFadden in 2004. It was Alcock and McFadden's perception that two separate documents were needed; however, it is now proposed that these documents be consolidated into a single document. She says changes in the benefit plan include removal of administrative leave as a paid item and a cap on leave accruals of 480 hours vacation and 112 hours holiday, reduction of step increments from five percent to 2.5 percent for all new hires and current employees, elimination of the LAFCO pick-up of the employees' share of the required contribution to SBCERA, elimination of benefit plan contributions that are considered earnable compensation and replacement of those amounts with a non-pensionable medical premium subsidy, and establishment of a new system of medical premium subsidy payments.

Chairman Mitzelfelt calls for questions from the Commission. Commissioner Cox asks if the human resources policies also mirror the County's. Ms. McDonald responds that they do.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

Chairman Mitzelfelt closes the public hearing.

Commissioner Curatalo moves approval of the staff recommendation, seconded by Commissioner Coleman. Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain:

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

(Commissioner Derry leaves the hearing at 9:28 a.m.)

MOUNTAIN REGION REVIEW OF ROAD AND SNOW REMOVAL SERVICES WHICH INCLUDES THE REVIEW OF COUNTY SERVICE AREA 70 ZONES R-2, R-3, R-4, R-5, R-7, R-9, R-11, R-12, R-13, R-16; R-21, R-22, R-23, R-33, R-34, R-35, R-36, R-40, R-44, R-45, R-46, AND ROAD SERVICES FOR COUNTY SERVICE AREA 79 AND ITS ZONE R-1, COUNTY SERVICE 18, AND COUNTY SERVICE AREA 53
SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE/AMENDMENT FOR THE FOLLOWING:

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3122; AND (B) LAFCO 3122 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 69 (LAKE ARROWHEAD)

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3119; AND (B) LAFCO 3119 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 59 (LAKE ARROWHEAD)

CONSIDERATION OF: (A) CEQA STATUTORY EXEMPTION FOR LAFCO 3121; AND (B) LAFCO 3121 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA 68

CONSIDERATION OF (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3162, AND (2) LAFCO 3162 – COUNTY SERVICE AREA 70 AFFIRMATION OF SERVICE UNDER AUTHORIZED ROADS FUNCTION TO INCLUDE SNOW REMOVAL
APPROVE STAFF RECOMMENDATION TO CONTINUE TO SEPTEMBER 21, 2011 HEARING AT REQUEST OF COUNTY AND LAFCO STAFF

LAFCO conducts a continued public hearing related to the Mountain Region Review of Road and Snow Removal Services. Notice of the original hearing on December 8, 2010 was advertised as required by law through publication in *The Sun*, a newspaper of general circulation. Individual notice of this hearing was provided to affected and interested agencies, County departments, and those individuals and agencies requesting mailed notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. She states that staff is once again requesting a continuance of the item based upon: (1) the Auditor Controller's office wishes to review questions related to a consolidated audit and how the audit charges are currently apportioned; and (2) County Special District staff is unable to provide a response on budget issues and costs until after budget submission for Fiscal Year 2011-12. Therefore, it is staff's recommendation that this matter be continued to the September 21, 2011 hearing.

Chairman Mitzelfelt calls for questions from the Commission. There are none.

Chairman Mitzelfelt opens the public hearing and asks if there are members of the public who wish to speak on this item. There is no one.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

Chairman Mitzelfelt closes the public hearing.

Commissioner Rutherford moves approval of the staff recommendation, seconded by Commissioner Curatalo. Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

INFORMATION ITEMS:

PENDING LEGISLATION REPORT

Ms. McDonald presents the written report, a complete copy of which is on file in the LAFCO office. She states that AB 54 (Solario) changes the language regarding what types of information will be required from mutual water companies during the service review process. She says that staff and CALAFCO are in support of this bill.

AB 912(Gordon), regarding district dissolutions, provides for an expedited process for dissolution of a special district under specific circumstances. She notes that CALAFCO has taken a position of support for this bill.

AB 1430 (Assembly local Government Committee) – CALAFCO Omnibus Bill – Ms. McDonald states that the primary emphasis of this bill is to clean up the definitions section of Cortese-Knox-Hertzberg Local Government Reorganization Act. CALAFCO is the sponsor of this bill.

SB 244 (Wolk) – Disadvantaged Unincorporated Communities. Ms. McDonald states that an update is provided to the Commission today by CALAFCO. That update includes an amendment to Section 56375.3 which sets in motion a requirement for annexation of these communities when a development related application is submitted. The included language sets a size threshold to exempt islands and small parcels. Ms. McDonald expresses concern regarding unfunded mandates in light of the current economic situation. She says CALAFCO has taken a position of oppose unless amended to this bill.

SB 436 (Kehoe) – Ms. McDonald states the bill is intended to address the methods to transfer mitigation lands to non-profits for maintenance and operation. Ms. McDonald states that the Commission will recall it's experience with Spirit of the Sage in acquiring mitigation lands. This bill requires that non-profits comply with certain requirements to acquire mitigation lands.

Ms. McDonald states that she has provided the Commission with a copy of CALAFCO's Legislative Committee's minutes, which identifies proposed language changes to Government Code Section 56133.

Ms. McDonald reports that a new organization titled "California Forward" has been formed. Its mission is to "work with Californians to help create a 'smart' government –

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

one that's small enough to listen, big enough to tackle problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results." She says this group is very well-connected and well-funded. In its early stages, the organization held stakeholders meetings that did not include LAFCOs or Special Districts. She says the organizations "Restructuring Framework" document discusses government consolidation and suggests LAFCOs work with Regional Councils of Government to consolidate special districts. She states that staff participated in a discussion group and provided input on participation of Special Districts. LAFCOs have now been added to the distribution list for this information. Ms. McDonald states that she brought this information to the Commission to keep it apprised of what appears to be the next round of initiatives that will affect the Commission.

EXECUTIVE OFFICER'S REPORT

Ms. McDonald presents the staff report, a complete copy of which is on file in the LAFCO office. She states that she has discussed with other LAFCO EO's the possibility of rewriting the code on sphere of influence determinations to address the Court's interpretation in the "Truckee Decision". As she has not been able to generate much interest, she is now proposing a memorandum of understanding with the counties surrounding San Bernardino County, Riverside, Los Angeles, Inyo, Kern and Orange, to transfer sphere of influence jurisdiction to the County in which the territory of the sphere change lies. This has been the practice with Riverside County for many years, and is now proposed to be memorialized in the agreement. She requests authorization from the Commission to work with the other four counties on such an agreement. The Commission authorizes her to do so by consensus.

Ms. McDonald states that is the time to submit nominations for the annual CALAFCO awards. She suggests that the mountain service reviews be nominated and asks if the Commission wishes to nominate a Commissioner or legislator for an award. Chairman Mitzelfelt suggests nominating the Oro Grande/Victorville/Helendale sphere of influence determinations due to the discovery of distribution issues with VVEDA redevelopment increment and the preservation of the mining interests in the area.

Ms. McDonald notes that terms of office for two positions on the CALAFCO Board expire this year, including Chairman Mitzelfelt's. Chairman Mitzelfelt indicates that he does not wish to run again. Commissioner Curatalo indicates his interest in the Special Districts position.

Commissioner Cox nominates Commissioner Curatalo as a candidate for the Special District position on the CALAFCO Board of Directors, seconded by Chairman Mitzelfelt. Chairman Mitzelfelt calls for opposition to the motion. There being none, the motion passes with the following vote: Ayes: Coleman, Colven, Cox, Curatalo, Mitzelfelt, Rutherford, Williams. Noes: None. Abstain: None. Absent: Bagley (Commissioner Colven voting in his stead), McCallon (Commissioner Williams voting in his stead).

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF JUNE 15, 2011**

COMMISSIONER COMMENTS

Chairman Mitzelfelt calls for comments from the Commission. Commissioner Curatalo states that the Commission appreciates Ms. McDonald's efforts in regard to the MOU with surrounding counties.

COMMENTS FROM THE PUBLIC □

Chairman Mitzelfelt calls for comments from the public. There are none.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION,
THE HEARING IS ADJOURNED AT 10:18 A.M.**

ATTEST:

ANNA RAEF, Recording Secretary

LOCAL AGENCY FORMATION COMMISSION

BRAD MITZELFELT, Chairman