

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MAY 21, 2008**

REGULAR MEETING

9:00 A.M.

MAY 21, 2008

PRESENT:

COMMISSIONERS: Bob Colven, Chairman
Kimberly Cox
James V. Curatalo, Alternate
Larry McCallon
Brad Mitzelfelt, Alternate
Richard P. Pearson
Diane Williams, Alternate

STAFF: Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, Legal Counsel
Samuel Martinez, LAFCO Analyst
Michael Tuerpe, LAFCO Analyst
Anna Raef, Clerk to the Commission
Rebecca Lowery, Deputy Clerk to the Commission

ABSENT:

COMMISSIONERS: Paul Biane
Dennis Hansberger, Vice Chairman
Mark Nuaimi

CONVENE CLOSED SESSION OF THE LOCAL AGENCY FORMATION COMMISSION – 9:00 A.M. – Conference Room adjacent to the San Bernardino City Council Chambers located at 300 North D Street, First Floor, San Bernardino.

Conference with Legal Counsel – Existing Litigation (Government Code Section 54956.9(a)): San Bernardino Valley Water Conservation District v. Local Agency Formation Commission, Superior Court Case No. SCVSS 147526.

RECONVENE TO REGULAR SESSION – CALL TO ORDER – 9:15 A.M.

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

Chairman Colven indicates that there were no reportable actions from the Commission's closed session.

Chairman Colven 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.

SWEARING IN OF REGULAR SPECIAL DISTRICT MEMBER AND REGULAR CITY MEMBER OF THE COMMISSION

Clerk to the Commission Anna Raef administers the Oath of Allegiance to Regular Special District Member Kimberly Cox, whose term of office expires in May 2012.

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**ELECTION OF CHAIRMAN AND VICE CHAIRMAN – COMMISSIONER COLVEN
ELECTED CHAIRMAN; COMMISSIONER HANSBERGER 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 herein. Ms. McDonald says that Chairman Colven and Vice Chairman Hansberger have completed a one-year term and under LAFCO policy they may serve two consecutive one-year terms.

Ms. McDonald opens the nominations for Chairman. Commissioner Williams move to continue the terms of both Chairman Colven and Vice Chairman Hansberger, seconded by Commissioner McCallon. Ms. McDonald calls for further nominations. There being none, the nominations are closed on motion of Commissioner Cox, seconded by Commissioner Williams. Ms. McDonald calls for a voice vote on the nomination of Commissioner Colven as Chairman and Commissioner Hansberger as Vice-Chairman. Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Cox, McCallon, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane, Hansberger, Nuaimi (Commissioner Williams voting in his stead).

APPROVAL OF MINUTES FOR REGULAR MEETING OF APRIL 16, 2008

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

CONSENT ITEMS – APPROVE STAFF RECOMMENDATIONS

LAFCO considers the items listed under its consent calendar. The consent calendar consists of:

- ITEM 4. Approval of Executive Officer's Expense Report
- ITEM 5. Ratify Payments as Reconciled for Month of April 2008 and Note Cash Receipts
- ITEM 6. Consideration of: (1) CEQA Statutory Exemption for LAFCO SC#327; and (2) LAFCO SC#327 – City of Redlands Service Agreement OSC 07-04 for Water Service (APN 0302-142-09)
- ITEM 7. Transfer of Principal County Responsibility from the San Bernardino Local Agency Formation Commission to the Riverside Local Agency Formation Commission for LAFCO 3099 - Reorganization to Include Annexation to the Yucaipa Valley Water District and Detachment from the Beaumont-Cherry Valley Water District
- ITEM 8. Accept Principal County Responsibility from the Riverside Local Agency Formation Commission for LAFCO 3098 – Annexation to Beaumont Cherry Valley Water District (Oak Glen Area)

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A Travel Claim and Visa Justifications for the Executive Officer's expense report, as well as staff reports outlining the staff recommendation for the reconciled payments and other consent items, have been prepared and copies of each is on file in the LAFCO office and are made a part of the record by their reference here. SC#327 has been advertised as required by law through publication in *The Sun*, and the *Redlands Daily Facts*, newspapers of general circulation in the area. In addition, individual mailed notice was provided to affected and interested agencies, landowners and registered voters within and surrounding the area, County departments, and those agencies and individuals requesting mailed notice, pursuant to State law and Commission policy. LAFCO 3099 and LAFCO 3098 have been advertised as required by law through publication in *The Sun*, and the *Yucaipa-Calimesa News Mirror*, newspapers of general circulation in the area. In addition, individual mailed notice was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice, pursuant to State law and Commission policy.

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

Commissioner Pearson moves approval of the staff recommendations for the consent calendar, seconded by Commissioner Cox. Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Cox, McCallon, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane, Hansberger, Nuaimi (Commissioner Williams voting in his stead).

DISCUSSION ITEMS:

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR FEE SCHEDULE REVISIONS; AND (2) REVIEW AND ADOPTION OF FILING FEE SCHEDULE FOR FISCAL YEAR 2008-09 – APPROVE STAFF RECOMMENDATION

LAFCO conducts a public hearing to review and consider adoption of its Schedule of Fees and Charges for Fiscal Year 2008-09, to be effective June 1, 2008. 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, Cities/Towns, Independent Special Districts, the County and those individuals and agencies requesting mailed notice.

LAFCO Analyst Michael Tuerpe presents the staff report, a copy of which is on file in the LAFCO office and is made a part of the record by its reference herein. Mr. Tuerpe states staff recommends the Commission take the action outlined on page one of the staff report.

Chairman Colven asks if there are any questions from the Commission. There are none.

Chairman Colven opens the public hearing and calls upon those wishing to speak. There is no one. The public hearing is closed.

Commissioner Pearson moves approval of the staff recommendation, seconded by Commissioner Cox. Chairman Colven calls for a voice vote on the motion and it is as

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follows: Ayes: Colven, Cox, McCallon, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane, Hansberger, Nuaimi (Commissioner Williams voting in his stead).

**REVIEW AND ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2008-09 –
APPROVE STAFF RECOMMENDATION**

LAFCO conducts a public hearing to review and adopt the Final Budget for Fiscal Year 2008-09. 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, 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 copy of which is on file in the LAFCO office and is made a part of the record by reference herein. She states that no comments were received and staff recommends that the Commission adopt the budget as presented and request that the Auditor/Controller apportion costs pursuant to the estimates provided to the Cities, Towns and Independent Special Districts, that the Commission approve the lease extension for office space and authorize the Chairman to sign, that the Commission approve the contract for auditing services which was negotiated through a request for proposal within four southern California counties, that the Commission direct the Executive Officer to submit the budget as required by law to the County, and that the Commission direct the Auditor/Controller-Recorder to take action collect the apportionment for those agencies which fail to remit payment by September 2, 2008 through the reduction of their first proceeds of property taxes.

Commissioner McCallon moves approval of the staff recommendation, seconded by Commissioner Cox.

Commissioner Pearson states that a comment was received from the General Manager of Baker Community Services District. Ms. McDonald explains that that letter is in reference to the Municipal Service Review. Commissioner Bagley asks if Baker CSD paid its apportionment last year. She states that last year the CSD refused to pay its apportionment; however, contrary to what is indicated in the letter, proceeds from taxes were attached and the apportionment was removed from the final payment of property taxes. She adds that the Barstow Cemetery District also failed to pay its apportionment.

Commissioner Bagley asks what the total annual revenue is of Beaumont-Cherry Valley Water District. Ms. McDonald states it does not pay its apportionment in San Bernardino County, but in Riverside County. Ms. McDonald explains that the actions on the agenda are to accept responsibility to conduct a sphere of influence and annexation proposal for one item; the second item relates to transfer of jurisdiction of a Yucaipa Valley Water District annexation to Riverside LAFCO.

Chairman Colven opens the public hearing and calls upon those wishing to speak. There is no one. The public hearing is closed.

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

CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATIONS PREPARED BY THE CITY OF REDLANDS FOR: A) ZONE CHANGE NO. 427, STREET VACATION NO. 140, COMMISSION REVIEW AND APPROVAL NO. 837, LOT LINE ADJUSTMENT NO. 515, AND ANNEXATION NO. 88; AND B) ZONE CHANGE NO. 432, COMMISSION REVIEW AND APPROVAL NO. 854, AND ANNEXATION NO. 89, AS CEQA RESPONSIBLE AGENCY FOR LAFCO 3093; AND (2) LAFCO 3093 – REORGANIZATION TO INCLUDE CITY OF REDLANDS ANNEXATION NOS. 88 AND 89 AND DETACHMENT FROM COUNTY SERVICE AREA 70 IMPROVEMENT ZONE P-7 (WABASH INDUSTRIAL PARK)

LAFCO conducts a public hearing to consider LAFCO 3093 – Reorganization to Include City Of Redlands Annexation Nos. 88 And 89 And Detachment From County Service Area 70 Improvement Zone P-7 (Wabash Industrial Park). Notice of the hearing was advertised as required by law through publication in *The Sun* and *Redlands Daily Facts*, newspapers of general circulation in the area, pursuant to State law and Commission policy. Individual notice of this hearing was provided to affected and interested agencies and to landowners and registered voters within and surrounding the reorganization area, County departments and those individuals and agencies requesting mailed notice.

LAFCO Analyst Sam Martinez states this item is an annexation to the City of Redlands. He says LAFCO staff has modified this proposal to become a reorganization which includes detachment from County Service Area 70 Improvement Zone P-7. He explains that CSA 70 P-7 is an inactive entity that was created by the County in 1991 to provide park and recreation services generally for the unincorporated Mentone community. Mr. Martinez provides an overview of how this proposal has evolved and states that last year the City provided LAFCO staff with information regarding City of Redlands Annexation No. 88, a two-parcel annexation east of Wabash Avenue and one block south of Mentone Blvd.

(It is noted Commissioner Mitzelfelt arrives at 9:28 a.m.)

Mr. Martinez states the City indicated that this proposal is submitted in order to facilitate construction of an industrial business park and self-storage facility. He says that the development required receipt of water and sewer service from the City of Redlands and since it was contiguous to the City's boundaries along Wabash Avenue, that receipt of water and sewer service would be contingent upon annexation. The City's Measure U requires that contiguous parcels annex prior to receiving services. He states that when LAFCO was made aware of this proposal in April 2007, at the same time, the City also informed LAFCO staff that another parcel south of the annexation proposal, was also proposed to be developed as a self-storage facility and would also require water and sewer service from the City in order to develop. Since this parcel is also contiguous to the City's boundaries along Wabash Avenue, the parcel would need to annex to the City for service as well. Mr. Martinez points out that LAFCO staff advised the City that in the past, the Commission had expressed its concern regarding the piecemeal approach to annexations in the Mentone/Crafton communities and its direction to review the expansion of any proposal submitted to create a more logical and efficient boundary. As

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a result, the City processed another annexation proposal, City of Redlands Annexation No. 89, which includes the other parcel proposed to be developed and three other parcels generally bordered by Nice Avenue on the north, the former BNSF Railroad right-of-way on the east and south, and Wabash Avenue on the west. Since Annexation Nos. 88 and 89 are adjacent, LAFCO staff requested that the annexations be initiated as one proposal in order to avoid a piecemeal annexation if submitted separately.

Mr. Martinez states that in October 2007, Ron Simus, one of the property owners within the proposed reorganization area, submitted a property owner petition and the application materials requesting annexation of the combination of both Annexation Nos. 88 and 89. He states this proposal is the result of the combination of Annexations 88 and 89. He says the reorganization area is 27.88 acres and is generally bordered by Wabash Avenue on the west, Naples Avenue on the north, and Jasper Avenue, Nice Avenue and the former BNSF Railroad right-of-way on the east and south. He says the City and the property owner who submitted the petition should be commended for working out the boundary configuration that is comprehensive. LAFCO staff believes that the boundary is a logical boundary since it includes not only the entire block around Wabash, Naples, Nice and Jasper Avenues, but also the triangular area that is bordered by Wabash, Nice and the Railroad Right-of-Way, which are all easily identifiable boundaries for service delivery.

The existing land uses within the reorganization area include a mix of vacant lands and industrial development. Existing uses directly surrounding the reorganization area include: to the west, a mix of residential development, a vacant property, and a commercial shopping center; to the north, a mix of commercial and residential development; and to the east, a mix of vacant lands and industrial development. Mr. Martinez states the County's current land use designations for the reorganization area are General Commercial and Community Industrial, which is generally compatible with the City's General Plan land use designations for the area, which are Commercial and Light Industrial. He says the City's rezoning designations are consistent with the City's General Plan for the area and will be required to remain in effect for two years following annexation unless specific findings are made by the City regarding a change at a noticed public hearing.

Mr. Martinez shows a number of photographs of the properties. He says that with regard to service issues, a plan for service was prepared and certified by the City, as required by law and Commission policy. Mr. Martinez highlights a number of service issues and states that fire protection is currently provided by County Service Area 38 and will be replaced by the City's Fire Department upon annexation. However, the County is anticipated to be the first responder for emergency and non-emergency calls within the reorganization area. Through the provisions of Amendment No. 1 of the automatic agreement signed by the City and the County, the County is to be the first responder within the reorganization area. He states that the County's fire station is approximately one mile from the site. Paramedic services are funded by the City through a special paramedic tax assessment placed upon annexation of developed parcels. This assessment is charged based upon the floor area of the buildings and will be applied following annexation.

Law enforcement responsibilities will shift from the San Bernardino County Sheriff's Department to the City of Redlands. Water and sewage collection services will be

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provided by the City of Redlands and upon annexation, sewer and water service will be extended to the two parcels proposed for development, and water service is currently provided to developments within the annexation.

Mr. Martinez points out that, upon annexation, the reorganization area will also have an additional special tax assessment to fund the City's Measure "O" debt service. He says this bond measure was passed in 1987 to fund the purchase of land for parks, recreation, citrus preservation, and open space within the City. As required by Commission policy and state law, the Plan for Services outlines that the City will maintain, and/or exceed, current service levels provided through the County.

The City of Redlands prepared two environmental assessments and Negative Declarations for the pre-zoning of the entire reorganization area. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has determined that, if the Commission approves LAFCO 3093, the City's two Initial Studies and Negative Declarations are adequate for Commission's use as a responsible agency under CEQA. Mr. Dodson recommends that the actions described in the staff report be taken by the Commission as a responsible agency.

In conclusion, Mr. Martinez states that the proposal was made in response to development proposals that require the receipt of water and sewer services from the City in order to complete their development. Staff supports the reorganization proposal because the City's municipal code clearly states that projects that are contiguous to the City must annex prior to receiving services and this application fulfills that requirement. He states that through discussions with the City and property owners, the proposal is a logical boundary for service delivery. He says that for these reasons and those in the staff report, staff supports approval of LAFCO 3093 and recommends that the Commission approve LAFCO 3093 by taking the actions outlined on pages 1 and 2 of the staff report; by modifying LAFCO 3093 to include the detachment of County Service Area 70, Improvement Zone P-7, with the standard LAFCO terms and conditions; and by adopting LAFCO Resolution 3004 setting forth the Commission's findings, determinations and conditions of approval for this proposal.

Commissioner McCallon asks what are the four parcels to the east and why are they not included in the annexation. Mr. Martinez responds that LAFCO staff just received a notice of intent to annex those parcels. He states that the City was aware of this proposed annexation; however, the developers for Annexation No. 88 had waited over one year and had some concerns about having to wait for the processing of those parcels.

Chairman Colven asks if there are further questions from the Commission. There are none.

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

Commissioner Pearson moves approval of the staff report, seconded by Commissioner McCallon. Commissioner Bagley asks if there has been any discussion with the City of Redlands regarding a larger annexation of those four parcels, as the area from Lugonia to a point east of Wabash is not contiguous. Ms. McDonald states the four parcels were not rezoned, so annexing those parcels would require a continuation for an

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indeterminate period of time. She explains that rezoning is required before moving forward with annexation. The City is currently processing the rezoning for those four parcels; however, the two property owners of the current proposal had been in process for more than two years and oppose any action that would create another delay for them. She states this addresses the best boundary possible, given the statutes of the City of Redlands adopted by referendum; otherwise, there would be no other way for them to develop. Commissioner Bagley states Mentone is being chipped away one parcel at a time and this would be an opportunity to fix the problem. Ms. McDonald states this is the reason the two annexations were combined, but unfortunately, the property owner to the east is on a different time frame. Chairman Colven states Mr. Bagley has spoken previously to this issue and he recognizes his concern on the issue.

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

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3033; AND (2) LAFCO 3033 - SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR MOJAVE WATER AGENCY – APPROVE STAFF RECOMMENDATION (Continued to July 16, 2008)

LAFCO conducts a public hearing to consider LAFCO 3033 - Service Review and Sphere of Influence Update for Mojave Water Agency. Notice of the hearing was advertised as required by law through publication in *The Sun, Desert Dispatch, Hi-Desert Star*, and *Daily Press*, newspapers of general circulation in the area, pursuant to State law and Commission policy. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals and agencies requesting mailed notice.

LAFCO Analyst Michael Tuerpe states that as a part of the service reviews and sphere updates, LAFCO staff reviewed with agency staff its current sphere of influence in the southern area, which includes the community of Wrightwood, its sphere of influence in the Morongo Basin Area and its currently-authorized functions and services. After publication of the Notice of Hearing, LAFCO staff received correspondence from the Mojave Water Agency staff asking for additional information from the agency board regarding these items. He states that staff recommends continuance to the July 16, 2008 hearing in order to obtain this information, evaluate it and incorporate it into the staff report.

Commissioner Mitzelfelt asks what the specific issues are. Mr. Tuerpe states that two areas, the community of Wrightwood and part of the former Mojave River County Water District, are within the sphere of influence. Mojave Water Agency staff was unaware of that. He states that he and Ms. McDonald attended the Legal, Legislative and Public Information Committee meeting of the agency last week and Ms. McDonald explained the responsibilities associated with a sphere of influence. He says that, in addition, there is a slight overlap of the Mojave Water Agency boundary and the Morongo Valley CSD boundary. He states that while the Morongo Valley CSD does not provide water service, the individuals in this area are part of Improvement Zone M, which means they are paying for the Mojave River Pipeline, in addition to the State Water Project. Staff

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discussed this issue with Mojave Water Agency staff, with the acknowledgement that, in order for the residents to receive water, it would require the creation of an improvement zone from CSA 70.

Mr. Tuerpe states the second issue is that the agency is authorized water and sewer functions and one of the water services is "retail." While they are not a retail provider, they do provide some water to construction projects. It was discussed whether or not to keep "retail" as a description of the water services provided by the Agency. He says that, with reference to sewer functions, the Mojave Water Agency in the 1970's was the founding member of the VVWRA Regional Wastewater Treatment facility, from which they have divested themselves. Commissioner Mitzelfelt states that his understanding is that Wrightwood is not within the Mojave River Basin because it is in a different mountain range. He asked if the water company has expressed a desire to access State Water Project water. Mr. Tuerpe states that Golden State Water Company staff has requested to maintain this area within the sphere of influence of the Mojave Water Agency. In the 1970's, the sphere of influences were designed by the engineering staff of the Mojave Water Agency and other agencies based upon hydrological divides at that time. The Commission accepted those recommendations then and adopted the spheres of influence. Chairman Colven asks about the recommendation relating to a new CSA 70 improvement zone and asked if the Agency gave any impression that they would act on that issue. Mr. Tuerpe states they acknowledged that future service of water in that area would require the formation of an improvement zone to CSA 70.

Ms. McDonald states that the issues discussed with the Agency include the existing boundaries and how to address service delivery. She states that annexation and/or expansion is not anticipated. To date, staff has not obtained an official position from Mojave Water Agency on any of these issues. For that reason, continuation is recommended in order to provide time for staff to develop a full analysis of their position. Mr. Bagley asks if there have been any annexations to the Mojave Water Agency since its inception. Ms. McDonald states that there were three, one of which included the southern Yucca Valley area. She says the full report will include a review of the existence of water purveyors in the area and the implications. Mr. Bagley asks about the ramifications of the agency as an adjudicated Watermaster. Ms. McDonald responds that the adjudication has a boundary which is defined by the courts. She says the adjudication will be reviewed, but she believes the adjudication is the agency's boundaries.

Chairman Colven asks if there are further questions from the Commission. There are none.

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

Commissioner Pearson moves approval of the staff recommendation, seconded by Commissioner Mitzelfelt. Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Cox, McCallon, Mitzelfelt, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane (Commissioner Mitzelfelt voting in his stead), Hansberger, Nuaimi (Commissioner Williams voting in his stead).

**CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3071; AND
(2) LAFCO 3071 - DISSOLUTION OF THE VICTORVILLE FIRE PROTECTION**

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DISTRICT (SUBSIDIARY DISTRICT OF THE CITY OF VICTORVILLE) (Continued to July 16, 2008)

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3072; AND (2) LAFCO 3072 - DISSOLUTION OF THE VICTORVILLE RECREATION AND PARK DISTRICT (SUBSIDIARY DISTRICT OF THE CITY OF VICTORVILLE) (Continued to July 16, 2008)

CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3073; AND (2) LAFCO 3073 - DISSOLUTION OF THE VICTORVILLE SANITARY DISTRICT (SUBSIDIARY DISTRICT OF THE CITY OF VICTORVILLE) (Continued to July 16, 2008)

LAFCO conducts a public hearing to consider LAFCO 3071 – Dissolution of the Victorville Fire Protection District (Subsidiary District of the City of Victorville); LAFCO 3072 - Dissolution of the Victorville Recreation and Park District (Subsidiary District of the City of Victorville); and LAFCO 3073 - Dissolution of the Victorville Sanitary District (Subsidiary District of the City of Victorville). Notice of the hearing was advertised as required by law through publication in *The Sun* and *Daily Press*, newspapers of general circulation in the area, pursuant to State law and Commission policy. Individual notice of this hearing was provided to affected and interested agencies, County departments and those individuals and agencies requesting mailed notice.

Ms. McDonald states Agenda Items 12, 13, and 14 relate to the dissolution of three subsidiary districts of the City of Victorville for recreation and park and sanitary services. She says staff is requesting continuance and the staff report requests continuance to the June 18, 2008 hearing. However, the City of Victorville is not scheduled to act on certain aspects of staff's questions relating to the loan from the Sanitary District to the City, park issues, and the contract with County Fire for fire protection, until June 3, 2008. Staff will not be available to review the materials in time for publication for the June hearing. Therefore, staff requests continuance to the July hearing, in order for staff to provide full analysis of those documents.

Chairman Colven asks if there are further questions from the Commission. Commissioner Cox asks how the loan is being addressed. Ms. McDonald states LAFCO staff has asked the City for information on that loan which occurred in 1993. LAFCO staff has asked the City to take a position on a payment schedule or some other action. She says a response from the City is required before LAFCO can dissolve the sanitary district. The question on the loan is to be resolved at the June 3 City Council meeting. Chairman Colven asks if the County Fire Reorganization and the occurrences in Victorville would affect these dissolutions. Ms. McDonald states it would not. She explains the Victorville Fire Protection District's boundary is not part of the Fire Reorganization. She says the contract anticipates providing service to this special district; however, there are some portions of the Victorville Fire Protection District that are not within the City's boundaries. LAFCO staff will need to address how service will be provided.

Commissioner Williams asks the amount of the loan. Ms. McDonald states it is approximately \$3.4 million and LAFCO staff is asking for documentation and information on that loan as part of the overall dissolution. Ms. Williams asks if the City would be allowed legally to forgive that loan. Ms. McDonald states that question is to be answered

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by the City of Victorville. Commissioner Cox asks how those funds would be protected. Ms. McDonald states that it would in the same manner as the Victorville Water District consolidation. She says that as part of the conditions for approval of the dissolutions LAFCO would require protection of existing reserves and deposits for specific services, requiring that the City establish specific accounts to protect those funds. That is LAFCO's conditional authority and the municipal service reviews for this agency in the future should review whether or not those conditions have been met. However, the Commission's authority to step in after review is limited. Commissioner Curatalo requests that, if possible, copies of original documents be submitted to the Commission for review. Ms. McDonald states this item is being continued to July in order for staff to adequately review materials and prepare the staff report with copies of documents.

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

Commissioner Williams moves approval of the staff recommendation, seconded by Commissioner Cox. Chairman Colven calls for a voice vote on the motion and it is as follows: Ayes: Colven, Cox, McCallon, Mitzelfelt, Pearson, Williams. Noes: None. Abstain: None. Absent: Biane (Commissioner Mitzelfelt voting in his stead), Hansberger, Nuaimi (Commissioner Williams voting in his stead).

PENDING LEGISLATION REPORT

Ms. McDonald refers to her written report and states AB1998 (Silva) transfers reporting requirement to the FPPC individuals or groups which secure funds for campaigns in opposition or support of a LAFCO action, is moving forward and no objections have been raised. She states it appears this responsibility will be transferred to the FPPC.

She reports on AB2484 (Cabrillo) relates to assuring that functions and services in a change of organization are clearly identified as the correct type of change.

She states SB1458 (Committee on Local Government), the County Service Area Law Comprehensive Rewrite, has a minor amendment made in the Assembly Local Government Committee to clarify Proposition 218.

AB2367 (Fuentes) has been removed, and AB3047 (Assembly Local Government Committee) is being forwarded to the Assembly floor.

Ms. McDonald is aware of ongoing negotiations relating to SB375 (Steinberg), the Sustainable Communities Strategy Bill; however, no amendments have been issued to date. It is her understanding that there is some movement on the CSAC request for amendments. Mr. McCallon add that there are two concerns from the League of California Cities; one, relating to combining the user transportation planning and the RHNA process using the same growth analysis for both; and two, the bill does not allow counties to use funds for approved projects beyond 2008 without complying with the greenhouse gas initiative in the bill. He explains that this is a major issue in this county, as the voters voted Measure I for money to be spent on certain projects. Ms. McDonald states the CALAFCO Board has taken a position that unless the bill is amended they will oppose it, in order to clarify LAFCO review for cities and special districts. She says this law is completely silent on special districts and the services they deliver in the sustainable communities strategy portion.

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Ms. McDonald reports that AB2278 (Aghazarian) and 2499 (Smyth) have been gutted and amended and are no longer of concern to staff. Chairman Colven asks if there is any potential for resurrection of AB2278, as there was some concern at the Fire Districts Association meeting. Ms. McDonald states she does not believe so in this legislative session, but possibly in the future. She says there are conditions of approval that can be applied to address ongoing fire funding.

She states that if there are any bills the Commission wishes to have included in the review she would add those.

Chairman Colven calls for comments from the Commission. There are none.

EXECUTIVE OFFICER'S ORAL REPORT

Ms. McDonald reports that a copy of the Best, Best and Krieger publication on the Brown Act was distributed to the Commission today. She states a letter from Le Hayes of Baker Community Services District was also distributed to the Commission at today's hearing. She points out that, contrary to Mr. Hayes' assertion, the District's appropriation was paid.

Ms. McDonald states the June hearing will be fairly light; however, the July hearing will include the Mojave Water Agency municipal service review, the three dissolutions for the Victorville agencies, and municipal service reviews for the Apple Valley and Yermo-Daggett-Newberry Springs communities.

Commissioner Williams comments that the Brown Act does not indicate that the legislature themselves would be complying with its provisions. Legal Counsel Clark Alsop states the legislature has its own act, which is different from the Brown Act. Ms. Williams states she believes there is a huge inequity in reporting requirements.

Commissioner Curatalo states at the last hearing Ms. McDonald mentioned an assessment would be done of the impact of the state budget on CalFire and how that may impact fire agencies in San Bernardino County. Ms. McDonald states that was related to the bill that was gutted. Commissioner Curatalo states the US Forest Service has a similar situation where there a number of cuts. He asks if Ms. McDonald sees similar cuts here. She states any cuts to fire service will affect San Bernardino County because of the vast forest areas in the county. She says County Fire would be better able to answer the question; however, any cut for a regional fire service provider would affect San Bernardino because of the state responsibility lands, the vast national forest and the Bureau of Land Management responsibilities in the north desert. She states many areas are under the jurisdiction of federal firefighters through the Bureau of Land Management outside the forest, i.e., Death Valley National Preserve, the Joshua Tree area.

Chairman Colven asks if there is any discussion on funding for SRA's. Ms. McDonald is not aware of any; there has been no talk of introduction of a per-parcel tax in order to fund the state responsibility, but that could occur. She states that as long as CalFire's funding resources are restricted or imperiled, those types of funding mechanisms would be considered.

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF MAY 21, 2008**

COMMENTS FROM THE PUBLIC

Chairman Colven calls for comments from the public.

Myrna Goff of Redlands Ranch states she is a resident of the mobile home community adjacent to LAFCO 3093. She expresses concern about the project and states this is a residential community and does not believe it should have industrial use.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION, THE HEARING IS ADJOURNED AT 10:23 A.M.

ATTEST:

ANNA M. RAEF
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

ROBERT W. COLVEN, Chairman