LAFCO

9335 Hazard Way • Suite 200 • San Diego, CA 92123
(858) 614-7755 • FAX (858) 614-7766

San Diego Local Agency Formation Commission

www.sdlafco.org

Chair

Jo MacKenzie, Director
Vista Irrigation District

Vice Chair

Ed Sprague, Director
Olivenhain Municipal Water

Members

Catherine Blakespear, Mayor
City of Encinitas

Bill Horn, Supervisor
County of San Diego

Dianne Jacob, Supervisor
County of San Diego

Andrew Vanderlaan
Public Member

Bill Wells, Mayor
City of El Cajon

Lorie Zapf, Councilmember
City of San Diego

Alternate Members

Lorie Bragg, Councilmember
City of Imperial Beach

Chris Cate, Councilmember
City of San Diego

Greg Cox, Supervisor
County of San Diego

Judy Hanson, Director
Leucadia Wastewater District

Harry Mathis
Public Member

Executive Officer

Keene Simonds

Counsel

Michael G. Colantuono

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AGENDA REPORT
Consent | Action

August 6, 2018

TO: San Diego Commissioners

FROM: Tamaron Luckett, Executive Assistant

SUBJECT: **Approval of Meeting Minutes | June 4, 2018**

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive minutes prepared for the past meeting of the Commission held on Monday, June 4, 2018. The minutes are being presented for formal approval with any desired corrections or clarifications as requested by the Commission.

BACKGROUND

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and established standards for the public to attend and participate in meetings of local government bodies. The "Brown Act" requires – and among other items – public agencies to maintain written minutes for qualifying meetings.

DISCUSSION

This item is for San Diego LAFCO to consider approving summary minutes for the June 4, 2018 regular meeting as recorded by staff. All members were present with the exception of the following persons: Chris Cate (alternate), Greg Cox (alternate) and Harry Mathis (alternate).

ANALYSIS

The attached summary minutes for the June 4, 2018 meeting accurately reflect the Commission's actions as recorded by staff.

RECOMMENDATION

It is recommended the Commission proceed to approve the draft minutes prepared by staff for the June 4, 2018 meeting with any desired corrections or clarifications. This action is provided as Alternative Action One in the succeeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Commission under a single motion:

Alternative One (Recommended)
Approve the draft minutes prepared for the June 4, 2018 regular meeting with any desired corrections or clarifications.

Alternative Two
Continue to the next regular meeting and provide direction as needed.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,

Tamaron Luckett
Executive Assistant

Attachment:
1) Draft Meeting Minutes for June 4, 2018

ATTACHMENT ONE

DRAFT MINUTES
SAN DIEGO LAFCO
June 4, 2018 REGULAR MEETING

CALL TO ORDER

There being a quorum present, the meeting was convened at 9:00 a.m. by Chair MacKenzie.

ROLL CALL

The Commission Clerk performed the roll call for the June 4, 2018 LAFCO meeting. Roll was recorded as follows:

Regulars Present:	Catherine Blakespear, City of Encinitas Bill Horn, County of San Diego Dianne Jacob, County of San Diego Jo MacKenzie, Vista Irrigation District (CHAIR) Ed Sprague, Olivenhain Municipal Water District (VICE CHAIR) Andy Vanderlaan, Public Bill Wells, City of El Cajon Lorie Zapf, City of San Diego
Alternates Present:	Lorie Bragg, City of Imperial Beach Judy Hanson, Leucadia Wastewater District
Members Absent:	Chris Cate, City of San Diego – Alternate Greg Cox, County of San Diego – Alternate Harry Mathis, Public – Alternate

Additionally, the following staff were present at the dais side during roll call: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Chief Policy Analyst Robert Barry; Local Government Analyst I Linda Zambito; and Executive Assistant Tamaron Luckett.

Commissioner Bragg arrived at 9:20 a.m.

PLEDGE OF ALLEGIANCE

Commissioner Zapf led the Commission in the Pledge of Allegiance.

AGENDA REVIEW

Chair MacKenzie asked the Executive Officer if there were requests to remove or rearrange items on the agenda. Executive Officer Keene Simonds indicated there were no requests.

PUBLIC COMMENT

Chair MacKenzie asked the public seated in audience if anyone would like to address the Commission on an item that is not related to agenda. Without any speaker slips or seeing anyone approach the dais Chair MacKenzie ended the public comment period.

CONSENT ITEMS

Item 1
Approval of Meeting Minutes | May 2, 2018

Item presented on the consent calendar for action. Item involves draft minutes prepared for the Commission's May 2, 2018. Recommendation to approve.

Item 2
Commission Ratification | Recorded Payments for April 2018

Item presented on the consent calendar for action. Item involves ratification of recorded financial payments received and distributed for April 1st to April 30th. Payments made totaled $107,545. Payments received totaled $34,589. Recommendation to approve.

Item 3
Approval of Conflict Waiver for County Counsel Services

Item presented on the consent calendar for action. Item involves an approval of a conflict waiver consenting to County Counsel Deputy Rachel H. Witt's simultaneous representation of the Commission and County of San Diego. Recommendation to approve

Item 4
Current Proposals and Related Activities

Item presented on the consent calendar for information only. Item summarizes active proposals on file with the Commission as well as notable pending proposals that are expected to be submitted in the near term.

Item 5
2018-2019 Final Local Agency Apportionments

Item presented on the consent calendar for information only. Item identifies local agency apportionments for 2018-2019 based on the standard funding formula established under LAFCO law and the $1.665 million total contribution amount approved by the Commission.

Item 6
Legislative Report

Item presented on the consent calendar for information only. Item involves an update on the status of bill proposals under current consideration by the Legislature that directly or indirectly impact LAFCOs.

CONSENT ITEMS CONTINUED…

Item 7
Memorandum | Tax Fairness, Transparency, and Accountability Act of 2018

Item presented on the consent calendar for information only. Item outlines a pending citizens' statewide initiative (Tax Fairness, Transparency and Accountability Act of 2018) that proposes to limit the authority of local government to impose new revenues.

MOTION: On motion of Commissioner Jacob, seconded by Commissioner Sprague, and carried unanimously by the Commissioners present, the Commission took the following actions without discussion: approved recommendations for consent items No. 1 through 7.

PUBLIC HEARING ITEMS

Item 8
Establishment of Secondary Service-Specific Sphere and Reorganization | Harmony Grove Village Reorganization with Establishment of an Activated Wastewater Latent Power Area and Secondary Service-Specific Sphere for Rincon del Diablo Municipal Water District and Detachment from San Diego County Sanitation District | RO17-10; SI(S)17-10; LP(A)17-10; DD17-10)

The public hearing was opened by Chair MacKenzie.

Chief Policy Analyst Robert Barry summarized the reorganization as well as the recommendations detailed in the agenda report. Mr. Barry noted the reorganization was initiated by resolution from the Rincon del Diablo Municipal Water District seeking approval to assume wastewater services from the San Diego County Sanitation District for an approximate 425-acre portion of Harmony Grove Village southwest of the City of Escondido. Mr. Barry noted the reorganization would require establishing a wastewater-specific sphere of influence and activation of wastewater latent power area for Rincon del Diablo Municipal Water District and paired with a concurrent detachment from San Diego County Sanitation District. Mr. Barry concluded by summarizing staff's recommendation to approve the reorganization with standard terms. Mr. Barry added staff also recommended the Commission establish special sphere of influence study area for Rincon del Diablo Municipal Water District to include two adjacent and planned developments – Valiano-Eden Hills and Harmony Grove Village South – to facilitate discussions about future wastewater services within these areas.

Chair MacKenzie asked the Commission if there were any questions for Mr. Barry.

Commissioner Sprague asked if the City of Escondido was consulted about the project. Mr. Barry noted the City as well as several other neighboring agencies were notified and no written comments were received.

PUBLIC HEARING ITEMS CONTINUED…

Chair MacKenzie asked if any members from the public wished to speak.

General Manager Greg Thomas and Board member Jim Murtland of Rincon del Diablo Municipal Water District concurrently addressed the Commission. Both speakers thanked Mr. Barry for his report and summary of the project. The speakers noted the District had been working with the County on assuming wastewater services for the affected territory and were pleased to be before the Commission.

Seeing no others approach the dais Chair MacKenzie closed the public hearing.

Commissioner Jacob motion to approve the staff recommendation for Alternative One. Commissioner Horn seconded.

Chair MacKenzie asked for a roll call of vote for the motion on Item 8.

The Commission Secretary recorded the following votes:

AYES: Commissioners Blakespear, Horn, Jacob, MacKenzie, Sprague, Vanderlaan, Wells, and Zapf
NOES: None
ABSENT: Commissioners Cate, Cox, and Mathis
ABSTAINING: None

The Secretary confirmed the motion was approved 8-0.

Item 9
Secondary Service-Specific Sphere Amendment and Change of Organization | Connemara Drive-Trinh Wastewater-Specific Sphere Amendment and Wastewater Latent Power Area Expansion to the Olivenhain Municipal Water District | SA18-01; LP(E)18-01

The public hearing was opened by Chair MacKenzie.

Executive Officer Keene Simonds summarized the proposal. This included noting the proposal was initiated by resolution of the Olivenhain Municipal Water District and intended to facilitate the construction of a single-family residence. It was also noted the proposal required a formal public hearing given the concurrent need to amend and expand Olivenhain Municipal Water District's wastewater-specific sphere to include the affected territory. Recommendation to approve with standard terms also detailed.

Chair MacKenzie asked the Commission if there were any questions for staff.

Receiving no question the Chair proceeded to invite any member of the audience to address the Commission on the item.

PUBLIC HEARING ITEMS CONTINUED…

Seeing no one approach the dais the Chair closed the public hearing, and invited the Commission to make a motion.

Commissioner Sprague motioned to approve the staff recommendation for Alternative One. Commissioner Blakespear seconded.

Chair MacKenzie asked for a roll call of vote for the motion on Item 9.

The Commission Secretary recorded the following votes:

AYES: Commissioners Blakespear, Horn, Jacob, MacKenzie, Sprague, Vanderlaan, Wells, and Zapf
NOES: None
ABSENT: Commissioners Cate, Cox, and Mathis
ABSTAINING: None

The Commission Secretary confirmed the motion was approved 8-0.

Item 10
Final Study Schedule for FY2019 to FY2023 |
Municipal Service Reviews and Sphere of Influence Updates

The public hearing was opened by Chair MacKenzie.

Item presented on the public hearing calendar for action. Executive Officer Keene Simonds provided a summary and noted the final version was nearly identical to the draft version received in April with one notable change. The referenced change reflected in the final version included a policy statement noting the Commission's discretion in making amendments to address changes in needs and/or local conditions.

Chair MacKenzie invited members of the audience to address the Commission on the item. Seeing no one approach the dais, the Chair closed the public hearing.

Commissioner Vanderlaan motion to approve the staff recommendation for Alternative One. Commissioner Horn seconded.

Chair MacKenzie asked for a roll call of vote for the motion on Item 10.

The Commission Secretary recorded the following votes:

AYES: Commissioners Blakespear, Horn, Jacob, MacKenzie, Sprague, Vanderlaan, Wells, and Zapf
NOES: None
ABSENT: Commissioners Cate, Cox, and Mathis
ABSTAINING: None

The Commission Secretary confirmed the motion was approved 8-0.

BUSINESS ITEMS

Item 11
Proposal Update | Dissolution of County Service Area No. 115 and Concurrent Sphere Amendments and Annexations to Lakeside Fire Protection District and San Miguel Consolidated Fire Protection District | RO14-12; sa14-12; RO14-13; SA14-13

Executive Officer Keene Simonds summarized the update and key conclusions therein for Commission discussion and feedback. This included the Executive Officer noting the update follows the Commission's earlier direction from July 10, 2017 to revisit five specific topics necessary for LAFCO to make an informed decision on making sphere of influence amendments for both Lakeside FPD and San Miguel Consolidated FPD in step with facilitating the joint-proposal. The Executive Officer added two of the five topics involving actual call responses within CSA No. 115 and San Miguel Consolidated FPD's finances remain fluid and merit ongoing tracking with the expectation of providing another update as early as the December 2018 meeting.

Chair MacKenzie invited initial comments from the Commission.

Commissioner Jacob thanked staff for the succinct summary and clarification of key issues. Commissioner Jacob asked whether the two remaining issues identified for ongoing tracking were of equal value to LAFCO, or whether one was more pertinent than the other. The Executive Officer responded the Commission's direction at the July 10, 2017 meeting emphasized San Miguel Consolidated FPD's finances as being the most pertinent topic in considering the merits of the sphere amendments and corresponding joint-proposal.

Commissioner Vanderlaan thanked staff for the update and noted he was pleased the 4-way agreement within CSA No. 115 was working. Commissioner Vanderlaan also noted his appreciation to Commissioner Jacob and the County Fire Authority for showing leadership over the last 10 plus years in improving fire protection services throughout the unincorporated areas. Commissioner Vanderlaan added LAFCO should continue to consider consolidation opportunities for fire protection whenever the opportunity presents itself.

Commissioner MacKenzie asked a question about the status of jurisdictional territory located within Lakeside FPD along its southern parameter that lies outside its sphere. The Executive Officer and Chief Policy Analyst Robert Barry collectively responded they were unsure about the subject lands and would follow up on the question.

Seeing no more initial questions from the Commission the Chair proceeded to invite the two agencies to address the update.

BUSINESS ITEMS CONTINUED…

Fire Chief Brainard with San Miguel Consolidated FPD addressed the Commission and noted the two agencies would provide a joint-response to the update over the next 15 minutes. Chief Brainard noted the last two years of audited information analyzed by LAFCO staff has become largely immaterial given San Miguel Consolidated FPD is now a stand-alone staffing agency. Chief Brainard added San Miguel Consolidated FPD is on pace to finish the current fiscal year with a sizeable operating net of over $2.2 million.

Fire Chief Butz with Lakeside FPD addressed the Commission and provided historical context to the joint-proposal and current service patterns within CSA No. 115 as it relates to both Lakeside FPD and San Miguel Consolidated FPD.

San Miguel Consolidated FPD's Finance Director Leah Harris spoke to the Commission and discussed in greater detail the agency's projected operating savings for the current fiscal year. Ms. Harris emphasized San Miguel Consolidated FPD's use of reserves in covering expenses.

Fire Chief Brainard outlined three distinct requests of LAFCO: 1) determine San Miguel Consolidated FPD is a self-sustaining fire agency; 2) direct LAFCO staff to schedule a hearing on the sphere amendments and joint-proposal no later than December 2018; and 3) approve actions at the scheduled hearing.

Commissioner Jacob asked when San Miguel Consolidated FPD expected to complete its audit for 2017-2018. Fire Chief Brainard responded as early as October.

Commissioner Jacob asked the Executive Officer how long it would take LAFCO staff to review the 2017-2018 audit from San Miguel Consolidated FPD and return with its analysis. The Executive Officer responded with 60 days with the assumption questions might come up requiring meetings with the District.

Commissioner Jacob stated she was encouraged with Lakeside FPD and San Miguel Consolidated FPD in resolving their past differences to now be working together. Commissioner Jacob also stated the lone critical piece of information remaining is the 2017-2018 audit for San Miguel Consolidated FPD's 2018-2019.

Commissioner Sprague asked what the total amount of property tax revenue underlying the reorganization. Fire Chief Brainard responded the approximate amount of property tax to be exchanged within CSA No. 115 is $350,000. Chief Brainard added the two agencies have already agreed to split this amount in equal halves.

Commissioner Sprague asked the Executive Officer if the Commission could take any action. The Executive Officer responded no and added the update is for discussion and feedback only.

BUSINESS ITEMS CONTINUED…

Commissioner Blakespear stated her concern in maintaining the baseline of the 4-way agreement for any significant length of time. Commissioner Blakespear added there is urgency for LAFCO to proceed forward and take an action on the joint-proposal once the 2017-2018 audit by San Miguel Consolidated FPD is complete and reviewed by LAFCO staff.

Commissioner Wells discussed the three requests made by the two agencies and asked staff to confirm whether any could be done before receiving a 2017-2018 audit from San Miguel Consolidated FPD. The Executive Officer responded that it would be premature to make a statement on San Miguel Consolidated FPD being self-sustaining until the 2017-2018 audit was completed and reviewed and that the other two requests would follow. After follow up with the agencies Commissioner Wells asked staff could LAFCO address all of the requests made by the agencies in one meeting. The Executive Officer responded yes. Commissioner Wells asked staff to approximate when LAFCO could hold the hearing to take up all three requests. The Executive Officer responded December 2018 or earlier.

Commissioner Jacob reiterated the 2017-2018 audit for San Miguel Consolidated FPD was the key item needed to proceed and once reviewed by LAFCO staff a public hearing should be scheduled as soon as possible to bring resolution to the item to a vote.

Seeing no further comments from the Commission the Chair asked if there were any other comments from the audience on the item.

County Fire Authority Chief Tony Mecham addressed the Commission and noted the County, Lakeside FPD, and San Miguel Consolidated FPD were now in a better relationship with one another compared to when LAFCO last discussed the joint-proposal in July 2017. Chief Mecham added the County Fire Authority was willing to work with the agencies in advancing a property tax exchange to help LAFCO expedite holding a public hearing.

Seeing no other comments the Chair closed the item with direction provided to staff.

Item 12
CALAFCO Board Report

Chair MacKenzie provided a brief summary to the Commission regarding CALAFCO related activities. This included discussing planning for the upcoming Annual Conference scheduled for October 3-5 in Yosemite. The Chair added the next CALAFCO Board meeting is scheduled in late July in Ontario and is expected to include a report from the subcommittee that is tasked with making a recommendation on a new due schedule at CALAFCO.

CLOSED SESSION

Item 13
Conference with Legal Counsel – Existing Litigation:

Chair MacKenzie adjourned the regular meeting to closed session at 10:33 a.m to take up the item listed in the agenda: Southcott et al. v. Julian-Cuyamaca Fire Protection District, et al., San Diego Superior Court Case No. 37-2018-0023393-CU-WM-CTL.

Session meeting reconvened at 10:45 a.m. with Commission Counsel Holly Whatley reporting no actions were taken.

EXECUTIVE OFFICER REPORT

The Executive Officer made the following comments:

- No meeting will be held in July; the next regular meeting will be August 6th.

- Staff is making progress on the Julian-Cuyamaca Fire Protection District reorganization proposal and it is possible the item would be presented at a noticed hearing on August 6th.

COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

None

ADJOURNMENT TO NEXT REGULAR MEETING

There being no further business to come before the Commission, the meeting was adjourned by Chair MacKenzie at 10:53 a.m. until August 6, 2018 upon approval by the Commission.

Attested:
TAMARON LUCKETT
EXECUTIVE ASSISTANT

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