LAFCO

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San Diego Local Agency Formation Commission

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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

April 2, 2018

TO: San Diego Commissioners

FROM: Tamaron Luckett, Executive Assistant

SUBJECT: **Approval of Meeting Minutes | March 5, 2018**

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive minutes prepared for the last meeting of the Commission held on Monday, March 5, 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 establishes 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 March 5, 2018 regular meeting as recorded by staff. All members were present with the exception of the following persons: Bill Horn (regular); Chris Cate (alternate); Greg Cox (alternate); and Harry Mathis (alternate).

ANALYSIS

The attached summary minutes for the March 5, 2018 meeting accurately reflect the Commission's actions as recorded by staff.

ALTERNATIVES FOR ACTION

The following alternatives are available to the Commission:

Alternative One (Recommended)
Approve the draft action summary prepared for the March 5, 2018 regular meeting with any desired corrections or clarifications.

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

RECOMMENDATION

It is recommended the Commission proceed with the action identified in the preceding section as Alternative One.

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,

//e//
Tamaron Luckett
Executive Assistant

Attachment:
1) Draft Meeting Minutes for March 5, 2018

ATTACHMENT ONE

DRAFT
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
MARCH 5, 2018

CALL TO ORDER BY CHAIR

There being a quorum present, the meeting was convened at 9:03 a.m. by Chair MacKenzie.

ROLL CALL

The Commission Clerk performed the roll call for the March 5, 2018 LAFCO meeting. Roll was recorded as follows:

Regulars Present:	Catherine Blakespear, City of Encinitas 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 Bill Horn, County of San Diego – Regular Harry Mathis, Public – Alternate

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

Commissioner Zapf arrived at 9:07 a.m.

Commissioner Hanson departed at 10:02 a.m.

PLEDGE OF ALLEGIANCE

Commissioner Blakespear 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 indicated there were no requests, and the Chair announced the meeting would follow the agenda as presented.

PUBLIC COMMENT

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

CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval should the Commission waive individual reading. Chair MacKenzie stated the Commission would proceed with individual readings.

On motion of Commissioner Sprague, seconded by Commissioner Vanderlaan, and carried unanimously by the Commissioners present, the Commission approved the staff recommendations for the consent calendared items with no discussion.

Item 1
Approval of Meeting Minutes | February 5, 2018
Item presented on the consent calendar for action to approve. Item involves draft minutes prepared for the Commission's February 5, 2018 regular meeting.

Item 2
Commission Ratification | Recorded Payments for January (2018)
Item presented on the consent calendar for action to receive and file. Item involves ratification of recorded financial payments received and distributed for the month of January 2018. Includes payments made by the Executive Officer totaling $101,039.

Item 3
Update on Special District Appointments to the San Diego County Consolidated Redevelopment Oversight Board
Item presented on the consent calendar for information only. Item provides update on the appointment process to seat special district representatives (one regular and one alternate) on the San Diego County Consolidated Redevelopment Oversight Board by June 30th.

Item 4
Current Proposal Activity and Related Items
Item presented on the consent calendar for information only. Item outlines current and pending projects on file with LAFCO as well as anticipated filings.

PUBLIC HEARING ITEMS

Public hearing items require expanded public notification per provisions in State Law or directives of the Commission or Executive Officer.

Item 5

Proposed Tri–City Healthcare District Reorganization and Associated Sphere of Influence Amendments | Ref. Nos. RO17-09; SA17-09a and SA17-09b

The public hearing was opened by Chair MacKenzie. Chief Policy Analyst Robert Barry provided a PowerPoint presentation to the Commission summarizing the proposal. Mr. Barry clarified that the reorganization involves annexations of 8,232.206-acres to Tri–City Healthcare District and 57.35-acres to Palomar Health Healthcare District along with detachments of 25,657.79-acres from Tri–City Healthcare District and 2,747.37-acres from Fallbrook Regional Health District. Mr. Barry added the reorganization also requires sphere amendments to Tri–City and Palomar Health Healthcare Districts to facilitate the proposed boundary changes. Mr. Barry also added Special Study Area designations were proposed by staff to facilitate needed discussions between Tri–City and Palomar for a potential reorganization to ultimately provide that all of Carlsbad and Vista lie in Tri-City. Mr. Barry concluded his presentation by noting the staff recommendation was to approve the proposal as presented with the referenced Special Study Area designations along with conditioning approval on Tri-City and Fallbrook agreeing to phase the implementation of the negotiated property tax exchange to lessen the short-term financial impact on Fallbrook. Mr. Barry also confirmed the Commission could waive protest proceedings so long as no written opposition from affected landowners or registered voters is received before the close of the hearing.

Chair MacKenzie noted two speaker slips were received from Counsel Blaise Jackson with Fallbrook Regional Healthcare and Counsel Adriana Ochoa with Tri-City Healthcare.

Counsel Blaise Jackson with Fallbrook Regional Health District addressed the Commission and spoke in favor of the staff recommendation that includes keeping the condition for the agencies to enter into a memorandum of understanding (MOU) to phase the implementation of the property tax exchange. Mr. Jackson noted Fallbrook will experience an approximate 10 percent reduction in operating revenues as a result of the reorganization, and phasing the full implementation of the exchange over a small period of time would help absorb this significant impact to the District.

Counsel Adriana Ochoa with Tri–City Healthcare District addressed the Commission and also focused her comments on the MOU condition. Ms. Ochoa recommended that the Commission remove the condition given the need to coordinate with two separate boards may ultimately delay the process for recordation ahead of the deadline set by the Register of Voters to have the changes reflected in the November general election. Ms. Ochoa added it was vital for Tri-City to make this deadline given the District's desire to have the boundaries updated in step with transitioning from at-large to district-based elections.

Commissioner Jacob asked Ms. Ochoa to clarify the deadline to complete the recordation process to make the November election. Ms. Ochoa responded that the deadline provided by the Register of Voters is May 10th.

Commissioner Jacob noted her concerns that if the MOU condition is not included that Fallbrook Regional Health District would lose all leverage in negotiating a phase-in with respect to the adjustment of property tax proceeds. Commissioner Jacob also suggested that it may be appropriate for LAFCO to continue this item and provide more time for the MOU to be addressed by Tri-City and Fallbrook.

Commissioner Wells asked if the item were to be continued what would be the length of time and would it adversely affect the process. Executive Officer indicated that the Commission could continue the item to the April 2nd meeting, and assuming approval the proposal could satisfy the mandatory 30-day reconsideration period and get recorded before May 10th so long as protest proceedings can be waived.

Commissioner Blakespear suggested that the condition remain per the staff recommendation and that the item not be continued and to let the two districts resolve and negotiate the matter knowing there is a May 10th deadline to record.

Commissioner Zapf suggested that the public hearing be closed and address the waiver of the protest hearing proceedings.

With no further members of the public wishing to speak in support or in opposition of the item, Chair MacKenzie closed the public hearing.

Commission Counsel Holly Whatley addressed the Commission to clarify for the record that no written protest for the reorganization had been received by the close of the hearing, and should the Commission choose to proceed with approval they could waive protest proceedings.

Commissioner Sprague asked for clarification about the stipulation of the MOU and the transfer of the $181,000 between Tri-City and Fallbrook Regional Health and whether it is just based on timing for the issue to be resolved. The Executive Officer responded yes.

Seeing no other comments or questions, Chair MacKenzie asked for a motion.

It was moved by Commissioner Blakespear, seconded by Commissioner Jacob to approve the staff recommendation identified as Alternative Action One in the agenda report, which includes keeping the MOU condition.

Chair MacKenzie asked for a roll call of vote.

The Commission Secretary recorded the following votes:

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

With agreement from the Commission Chair MacKenzie concluded the item by asking staff to bring back a status report on progress made between Tri-City and Palomar Health on the special study areas by December 2018.

BUSINESS ITEMS

Business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

Item 6
Retirement Pension Benefits | Review of Available Options for New Employees
Item presented on the business calendar for discussion only. Executive Officer provided brief comments about the existing retirement pension benefits provided to employees along with reviewing alternate options for new hires. The Executive Officer concluded it would be best for the Commission to stay the course and not make any changes to pension benefits for new hires at this time, but added it would be appropriate to circle back on three specific items. This includes adopting a resolution confirming LAFCO will follow the County's transition to its Tier D pension plan for new hires starting July 1st, updating the MOU between LAFCO and the County, and scheduling a future review of long-term pension options and goals.

Commissioner Jacob commented she supported the Executive Officer recommendation.

Following additional comments by other Commissioners the Chair concluded the item and directed staff to proceed as discussed.

Item 7
Report from the CALAFCO Board Meeting
Item presented on the business calendar for discussion only. Commissioner MacKenzie provided brief comments about the CALAFCO Board meeting that she attended along with the Executive Officer. Topics included the budget and review of membership dues. It was noted there is a division emerging within CALAFCO with the Southern region members believing the current due structure is inequitable, and any further increases that may result from a current rate review would only deepen the inequity.

Commissioner Jacob suggested LAFCO not support any due increases at CALAFCO that do not address the existing inequity. Similar comments were made by other Commissioners.

Chair MacKenzie added there were a number of bills CALAFCO is watching that may prove significant to LAFCO and other local agencies. This included SB 623 and the proposed $0.95 monthly water tax on all residential connections.

Commissioner Jacob added the Union-Tribune published a recent story on a proposed regionalization of the western states' electrical grid and suggested LAFCO and CALAFCO make note of this item and the potential impacts on local ratepayers going forward.

After additional discussion by Commissioners Chair MacKenzie concluded the item and noted she would report back in April on the next CALAFCO Legislative Committee meeting set for late March.

EXECUTIVE OFFICER REPORT

Executive Officer said that there will be a Special Districts Advisory Committee meeting on March 16, 2018. He also said that Michael Colantuono was appointed as the State Bar President and Holly Whatley will be filling in at the LAFCO meetings for the remainder of the calendar year.

COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS

Commissioner MacKenzie announced the next meeting will be held on April 2, 2018.

ADJOURNMENT

There being no further business to come before the Commission, the meeting was adjourned by Chair MacKenzie at 10:15 a.m. until April 2, 2018 upon approval by the Commission.

TAMARON LUCKETT
EXECUTIVE ASSISTANT