2

APPROVED (REVISED)
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
JUNE 2, 2014

There being a quorum present, the meeting was convened at 9:05 a.m. by Vice Chairman John Ingalls. Also present were: Regular Commissioners – Chairman Andy Vanderlaan (arrived at 9:30 a.m. / left at 12:00 p.m.); Supervisor Dianne Jacob; Mayor Sam Abed (arrived at 9:08 a.m.); Special District Member Bud Pocklington; and Special District Member/Vice Chairman John Ingalls. Alternate Commissioners – Special District Member Jo MacKenzie (arrived at 9:18 a.m.); Public Member Harry Mathis; and City Councilmember Lorraine Wood (left at 11:10 a.m.). LAFCO Staff – Executive Officer Michael Ott; Chief, Governmental Services Ingrid Hansen; Local Governmental Consultant John Traylor; Legislative Consultant Harry Ehrlich; Legal Counsels Thomas Bosworth and Michael Colantuono. Absent were: Regular Commissioners - Supervisor Bill Horn; Mayor Jim Janney; and Councilmember Lorie Zapf. Alternate Commissioners – Supervisor Greg Cox and Councilmember Sherri Lightner.

Item 1
Roll Call

The Commission Secretary performed the roll call for the June 2, 2014, LAFCO meeting. Executive Officer, Michael Ott informed the Commission about a major traffic delay that was causing commissioners to be late to the meeting.

Item 2
Approval of Minutes of Meeting Held May 5, 2014

On motion of Commissioner Pocklington, seconded by Commissioner Jacob, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of May 5, 2014 and approved said minutes.

Item 3
Executive Officer's Recommended Agenda Revisions

Vice Chairman John Ingalls asked the Executive Officer if there were any agenda revisions. Executive Officer Michael Ott indicated that there were no agenda revisions. Commissioner Pocklington requested a change in sequence of the Agenda Items No. 8 and 9 before Items 6 and 7.

Item 4
Commissioner / Executive Officer Announcements

Vice Chairman Ingalls asked the Commission and Executive Officer if there were any agenda announcements. Michael Ott announced the presence of Legal Counsel, Michael Colantuono for Agenda Item No. 6.

Item 5
Public Comments

Vice Chairman Ingalls asked the public if anyone requested to speak on an item that is not related to the agenda. He indicated that there was one speaker slip received from a member of the public.

~~Jack Griffiths, a private citizen, requested to speak to the Commission about the reorganization of the Rainbow Municipal Water District and the Fallbrook Public Utility District regarding the per diem increase for the Rainbow Municipal Water District Board of Directors.~~

Jack Griffiths, a private citizen, requested to speak to the Commission about the reorganization of the Rainbow Municipal Water District and the Fallbrook Public Utility District regarding the proposed per diem increase for the Rainbow Municipal Water District Board of Directors which did not happen (not approved).

Commissioner Jacob requested a change in sequence of Agenda Item 7 to be presented before Item 6. The Commission agreed and changed the Agenda order accordingly.

Item 7
Five-Year Sphere of Influence and Municipal Service Review:
Ramona Municipal Water District

Harry Ehrlich, Local Governmental Consultant provided a PowerPoint presentation to the Commission. He mentioned that a draft study review was presented to them during the past year. Mr. Ehrlich indicated that he would highlight the more important issues and concerns of the report in his presentation. They included the following: 1) Governance/Communication/Community Transparency; 2) Development of San Vicente Wastewater Plant and Recycled Water System; 3) Compliance with Propositions 26 and 218; 4) Emergency Response Plans; 5) Emergency Evacuation Route Planning; 6) Sewer Connection and Capacity Fees; 7) Provision of Sewer Service for Montecito Ranch; and 8) Alternative Service Opportunities.

Mr. Ehrlich also informed the Commission that the draft sphere and service review report was reviewed by the Special Districts Advisory Committee at their March 2014 meeting. He indicated that they support the staff analysis and recommendations to approve the sphere review, MSR, and associated determinations. He informed the Commission of the Advisory Committee's specific concerns to focus upon providing sewer and recycled water service in the Montecito Ranch development within the existing Ramona Municipal Water District (MWD) sewer system structure, and, if possible; for the Ramona MWD Board of Directors to take action to address the situation of a long term-absence of one of their board members.

Kimberly Thorner, Vice Chair, Special District's Advisory Committee, spoke to the Commission on behalf of the Committee and presented the Committee's recommendations made at the March 21, 2014 meeting. Ms. Thorner conveyed the Committee's concerns regarding the formation of a community services district within the Ramona MWD.

Vice Chairman Ingalls opened the public hearing for Item 7.

Chris Brown, representing Montecito Ranch, requested to speak to the Commission in support of Item 7. Mr. Brown requested the Executive Officer to elaborate on the proposed special study area designation.

Maggie Johnson, resident of San Diego Country Estates, requested to speak on behalf of Ernest Garrett, who is in opposition of Item 7 related to recycled water issues.

David Barnum, General Manager, and Darrell Beck, Board member and President of the Ramona MWD, answered questions from the Commissioners on recent updates for the issues addressed and the recommendations presented for Item 7.

Commissioners Pocklington, Jacob and Ingalls thanked Harry Ehrlich for an excellent job on his detailed report. After lengthy discussions amongst the Commissioners present; Michael Ott, Executive Officer; David Barnum, General Manager, RMWD; and Michael Colantuono, Legal Counsel, the Commission concurred on the following recommendations:

Chairman Vanderlaan closed the public hearing.

On motion by Commissioner Jacob and seconded by Commissioner Abed, and carried unanimously by the commissioners present, the Commission took the following actions:

1. Find, in accordance with the Executive Officer's determination that, pursuant to Section per GC Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review process consists of basic

data collection and analysis and will not result in disturbance to an environment resource. This action is for information gathering purposes as part of a study leading to an action which has not been approved, adopted or funded;

2. Find in accordance with the Executive Officer's determination that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, sphere amendments and affirmations are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;

3. Accept the Municipal Service Review of the Ramona Municipal Water District and For the reasons set forth in the 2013 Five-Year Sphere of Influence and Service Review, adopt the written statements on file specifying the functions and classes of services and affirm the sphere of the Ramona MWD adopt the MSR and SOI Determinations as outlined in the document and Attachments F &G;

4. Establish a Special Study Area designation for the Montecito Ranch development for the provision of sewer and recycled water and direct LAFCO staff to coordinate discussions with the District and the project developer as may be needed to determine a preferred sewer service governance model and service delivery system. (Staff and Special Districts Advisory Committee Recommendation);

5. Return in six months with a status report on San Diego Country Estates reclaimed water discussions;

6. Return in one year with a status report on the Montecito Ranch sewer service discussions;

7. Return in one year with a discussion of government structure options for provision of sewer services within the Montecito Ranch; and

8. For the reasons set forth in this report, adopt the form of resolution approving the written MSR and SOI and associated Determinations as outlined in the document, the Executive Officer's recommendations and Exhibits 1 and 2.

Item 6

Request for Reconsideration: Resolution Making Determinations, Approving, and Ordering the "Meadowood Reorganization" (Valley Center Municipal Water District (RO12-11); Supplemental MSR and SOI Review: Study of Sewer, Water, and Recycled Water Services in the Bonsall and Pala Hydrologic Subareas of the San Luis Rey River Watershed (MSR/SR13-82; 13-88; 13-96); Adoption of Amendments to the Spheres of Influence for the Valley Center, Rainbow, and San Luis Rey Municipal Water Districts (SA12-11[a][b][c])

Michael Ott informed the Commission on the Request for Reconsideration filed by the San Luis Rey Municipal Water District. Mr. Ott indicated Michael Colantuono would provide Legal Counsel comments on the water availability charge component of the appeal. He also indicated that Kimberly Thorner, Vice Chair, Special Districts Advisory Committee would comment on the recommendations made by the committee at their meeting in March 2014. Mr. Ott informed the Commission on the appeal process and LAFCO staff's disagreement with the following allegations made by the San Luis Rey MWD included in the request for reconsideration:

1) The Commission did not demonstrate independent judgment in approving the recommendations on April 7, 2014;
2) The Commission lacked authority or jurisdiction to adopt its Special Counsel's opinion regarding the San Luis Rey MWD's water availability charge;
3) The Meadowood Reorganization Resolution was back-dated to April 7, 2014;
4) The Meadowood Reorganization Resolution does not include determinations as required per Government Code Section 56881; and
5) The Commission improperly exercised its discretion by not awarding San Luis Rey MWD any fees incurred as a result of the Meadowood Reorganization.

Michael Colantuono, LAFCO Special Legal Counsel, explained the legal aspects of the alleged items listed above, specifically items 1) and 2). Mr. Colantuono informed the Commission that it was within their discretion to approve the staff recommendations.

Chairman Vanderlaan opened the public hearing for Item 6.

Kirsten Plonka, District Engineer, representing Rainbow MWD indicated the District is in support of the MSR and SOI recommendations for Item 6.

Gary Arant, General Manager, Valley Center Municipal Water District, requested to speak to the Commission on Item 6 in support of staff's recommendations. Mr. Arant also clarified the District's stance on compliance regarding the fees addressed and the determinations made by the Commission for the Meadowood project.

Wes Miliband, legal representative for San Luis Rey Municipal Water District, requested to speak to the Commission in opposition to the recommendation on Item 6. Mr. Miliband expressed his concerns regarding the Commission's decision and approval of the staff recommendations at the April 7, 2014 meeting.

Michael Ott mentioned that the Special District's Advisory Committee discussed this matter at length at their meeting held in November 2013. Mr. Ott requested SDAC's Vice Chair, Kimberly Thorner to summarize the Committee's discussions and recommendations.

Kimberly Thorner informed the Commission of the Committee's discussions and what recommendations were made. Ms. Thorner indicated the discussion process was open and a long deliberation which resulted in a unanimous decision, with two abstentions, to disapprove water availability fees requested by San Luis Rey MWD.

Chairman Vanderlaan closed the public hearing.

On motion by Commissioner Abed and seconded by Commissioner Jacob, and carried unanimously by the commissioners present, the Commission took the following actions:

(1) Deny the San Luis Rey MWD's Request for Reconsideration for the reasons set forth in the Executive Officer's Report; and

(2) Deny the San Luis Rey MWD's request for a waiver of the Request for Reconsideration fee.

Item 8
3rd Quarter – Executive Officer Self-Approved Claims

Vice Chair Ingalls assumed the chairmanship responsibilities of the meeting after Chair Vanderlaan excused himself and departed the meeting (Alternate Public Member Mathis assumed the role of voting public member).

Michael Ott informed the Commission that there were no self-approved reimbursement claims to report since the last quarter report on February 3, 2014 and therefore should accept and ratify the self-approved expense claims report.

On motion by Commissioner Pocklington and seconded by Alternate Commissioner Mathis, and carried unanimously by the commissioners present, the Commission took the following actions:

Accept and ratify the quarterly self-approved expense claims report.

Item 9
June 2014 Legislative Status Report

Harry Ehrlich, Legislative Director provided a brief report to the Commission regarding the current Legislative activity and requested approval from the Commission to send letters of support on the following bills: AB 1739; and AB 1521.

On motion by Commissioner Pocklington and seconded by Commissioner Abed, and carried unanimously by the commissioners present, the Commission took the following actions:

Receive, discuss, and provide direction, as necessary, on the June 2014 Legislative Report including authorization to send letters of support on AB 1739 and AB 1521.

Item 10
Cancellation of the July 7, 2014 Meeting

Michael Ott informed the Commission that there are no complete proposals for consideration at the next scheduled meeting date on July 7, 2014 and requested Commission approval to cancel the meeting and adjourn to the next scheduled date of August 4, 2014.

On motion by Commissioner Jacob and seconded by Alternate Commissioner Mathis, and carried unanimously by the commissioners present, the Commission took the following actions:

Direct the Executive Officer to cancel the July 7, 2014 LAFCO meeting and adjourn the June 2, 2014 meeting to August 4, 2014.

There being no further business to come before the Commission, the meeting adjourned at 12:05 p.m. to the August 4, 2014 meeting, in Room 302, County Administration Center.

Ruth Arellano
Administrative Assistant
Local Agency Formation Commission