

**SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
MARCH 2, 2009**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Bill Horn. Also present were: Regular Commissioners – Supervisor Dianne Jacob, Councilmembers Carl Hilliard and Betty Rexford; Bud Pocklington. Alternate Commissioners – Harry Mathis, John Ingalls, and Mayor Mark Lewis. LAFCO Staff – Executive Officer Michael Ott; Chief, Policy Research Shirley Anderson; LAFCO Consultants Harry Ehrlich and John Traylor; and LAFCO Legal Counsel William Smith. Absent were: Regular Commissioner – Councilmember Donna Frye; Alternate Commissioner – Supervisor Greg Cox.

**Item 1
Roll Call**

The Commission Secretary performed the roll call for the March 2, 2009 LAFCO meeting. All commissioners were present with the exception of Commissioner Donna Frye. The Commission Secretary indicated that John Ingalls would vote in place of regular Commissioner Andy Menshek who resigned from the Commission on February 2, 2009.

**Item 2
Approval of Minutes of Meeting Held February 2, 2009**

On motion of Commissioner Pocklington, seconded by Commissioner Vanderlaan, and carried unanimously by the commissioners present, the Commission dispensed with reading the minutes of February 2, 2009 and approved said minutes.

**Item 3
Executive Officer's Recommended Agenda Revisions**

Michael Ott indicated that there were no revisions to the agenda.

**Item 4
Commissioner/Executive Officer Announcements**

With exception of the Board of Supervisor members, Mr. Ott said that a 2008 Statement of Economic Interests (Form 700) was mailed to each Commissioner and indicated that it is due to LAFCO by April 6, 2009.

Item 5
Public Comment

There were no public comments.

Item 6
Proposed “Alpine Regional Center Annexation” to the Alpine Sanitation District (DA08-25)

At the request of Michael Ott, the Commission waived the staff presentation.

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

- (1) Certified that the information contained in the Mitigated Negative Declaration and Addendum to the previously adopted Mitigated Negative Declaration prepared by the County of San Diego has been reviewed and considered; and
- (2) Adopted the form of resolution approving this annexation for the reasons set forth in the Executive Officer’s Report, waived the Conducting Authority proceedings according to Government Code Section 56663(c), and ordered the annexation subject to the following condition:

Payment by property owner of District annexation and service fees, and State Board of Equalization charges.

Item 7A
Adoption of a Minor Sphere Amendment to the Sphere of Influence for the Spring Valley Sanitation District (SA08-21)

Item 7B
Proposed “La Presa Annexation” to the Spring Valley Sanitation District (DA08-21)

At the request of Michael Ott, the Commission waived the staff presentation.

Chairman Horn opened the public hearing.

Since no speaker slips were submitted in opposition to this item, and there was no discussion from the Commission, on motion of Commissioner Jacob, seconded by Commissioner Pocklington, and carried unanimously by the commissioners present, the Commission closed the public hearing, and took the following actions:

- (1) Found in accordance with the Executive Officer’s determination by LAFCO that pursuant to Section 15061 (b)(3) of the State CEQA guidelines, this annexation is not subject to the environmental impact evaluation process because it can be

seen with certainty that there is no possibility for the proposed project to significantly impact the environment, and the activity is not subject to CEQA; and

- (2) Amended the sphere of influence of the Spring Valley Sanitation District and adopted this written Statement of Determinations as shown in Exhibit A; and
- (3) Adopted the form of resolution approving this annexation for the reasons set forth in the Executive Officer's Report, waived the Conducting Authority proceedings according to Government Code Section 56663(c), and ordered the annexation, subject to the following terms and conditions:
 - (a) Payment of all District annexation fees to Spring Valley Sanitation District.
 - (b) Payment of State Board of Equalization fees.

Item 8

Recommended Final FY 2009-10 LAFCO Budget

Michael Ott said that the Recommended Final FY 2009-10 LAFCO Budget has been frozen and reduced by \$2,000 in comparison to the prior fiscal year's budget. He said that the Commission approved the Proposed FY 2009-10 LAFCO Budget at its February 2, 2009 meeting. He said that the Recommended Final FY 2009-10 LAFCO Budget was circulated to all special districts, cities, and the County of San Diego on February 20, 2009.

Since no speaker slips were submitted in opposition to this item, and there was no discussion from the Commission, on motion of Commissioner Rexford, seconded by Commissioner Vanderlaan, and carried unanimously by the commissioners present, the Commission closed the public hearing, and took the following actions:

- (1) Adopted the Final FY 2009-10 Budget and directed the Executive Officer to implement all related budget recommendations in the Executive Officer's report, including but not limited to:
 - (a) Directing the County Auditor/Chief Financial Officer to request payment from the Board of Supervisors and from each city and independent district no later than July 1 for the amount owed and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity (Government Code Section 56381(c));
 - (b) Authorizing the Executive Officer and the County Auditor/Chief Financial Officer to determine an appropriate method of collecting the required payment if payment is not remitted within 60 days. Per State Law, the Executive Officer may request the Auditor to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the County, city, or district. Any expenses incurred by the Commission or Auditor in collecting late payments shall be added to the payment owed the Commission (Government Code Section 56381(c)). Requesting the Auditor to use the

budget adoption date as the basis for selecting the most recent editions of the accounting publications that must be used under State Law to prepare the cost apportionment allocation;

- (c) Authorizing the Executive Officer to transfer unspent funds from the FY 2008-09 and 2009-10 budgets to LAFCO's Contingency Reserve Fund, consistent with LAFCO's Reserve Fund Policy (F-100);
- (d) Authorizing the Executive Officer to make applicable appropriations adjustments and fund transfers from the LAFCO Contingency Reserve Fund to LAFCO's operating revenue accounts, to contain LAFCO's net cost at the budgeted amount for FY 2008-09 (\$1,202,534) and FY 2009-10 (\$1,200,080);
- (e) Authorizing the Executive Officer to implement necessary services and supplies and staffing level additions and/or deletions to maintain an appropriate staff-to-workload ratio for FY 2008-09 and FY 2009-10;
- (f) Directing the Executive Officer to freeze consultant labor rates at the rates effective in FY 2008-09;
- (g) Ratifying the long-term and short-term strategic objectives and the workload and miscellaneous activity programs contained in the FY 2009-10 budget; and
- (h) Authorizing the Executive Officer to direct the County Auditor to establish LAFCO's budget and appropriations at the gross and net levels contained in Figures 2 and 3 of the Recommended FY 2009-10 LAFCO Budget.

Item 9

Proposed Repeal of Fiscal Policy F-100 (Establishment of a Reserve Fund); Proposed Adoption of Policy F-100 (Fiscal Operations)

Shirley Anderson provided a staff presentation to the Commission. Ms. Anderson discussed the history of LAFCO's Fiscal Policy F-100. She said that the proposed repeal of Fiscal Policy F-100 (Establishment of a Reserve Fund), and adoption of Policy F-100 (Fiscal Operations) would provide the Commission with financial decision-making benchmarks that would establish transparency and accountability in LAFCO's fiscal operations. Ms. Anderson also indicated that the repeal and adoption of F-100 would codify LAFCO's existing fiscal process.

In response to a question from Chairman Horn regarding LAFCO's Reserve Funds, Michael Ott said that it is maintained at approximately 10% of LAFCO's budget, and cannot exceed more than 35% of the previous fiscal year's appropriations. Mr. Ott said that LAFCO's accounting system is subject for review primarily by the County of San Diego's Auditor & Controller's office. He said that approval of the proposed revisions to Policy F-100 would institute a new review process involving an outside auditor.

Commissioner Jacob said that the repeal and adoption dates on page two of the draft Fiscal Policy F-100 should be corrected to reflect March 2, 2009 as opposed to February 2, 2009.

In response to a question from Commissioner Vanderlaan, Michael Ott said that LAFCO will be audited by a private sector auditor in addition to the County of San Diego Auditor and Controller's office.

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

- 1) Repealed the original Policy F-100 and adopted the proposed Policy F-100 (Fiscal Operations); and
- 2) Directed LAFCO staff to correct the repeal and adoption dates (February 2, 2009) on page two of the draft Fiscal Policy F-100 to reflect March 2, 2009.

Item 10

Water Supply and Delivery Workshop: April 6, 2009

Chairman Horn said that commissioners should allocate approximately 2-3 hours for the April 6, 2009 meeting because LAFCO will be hosting a water symposium that will be included in the agenda.

Harry Ehrlich, LAFCO Consultant, said that in 2008, the Commission requested LAFCO staff to explore the role that LAFCO may have in assessing the adequacy of water supply, delivery, and reliability. He reported that the Special Districts Advisory Committee and members of the California Special Districts Association provided input on water issues to LAFCO staff last May and July 2008. Mr. Ehrlich said that LAFCO will be hosting a water symposium on April 6th and invited local agencies to attend the event. He indicated that invited guest speakers include John Coleman (Meteorologist, KUSI News), Timothy Quinn (Executive Director, Association of California Water Agencies), and Dennis Cushman (Assistant General Manager, San Diego County Water Authority).

At the request of Chairman Horn, Commissioner Pocklington discussed the water crisis and said that the problem is severe and that it may take up to 3 years to resolve the water issue. He thanked LAFCO staff for conducting the Water Symposium and for educating the public about water issues.

Commissioner Jacob thanked Commissioner Pocklington for his input on the water crisis. She provided statistical information of water usage by residents, agriculture, and the environment. Harry Ehrlich said that at the Water Symposium, speakers from ACWA and CWA will provide more statistics on water usage.

Commissioner Rexford said that the City of Poway will be holding a meeting to address water issues.

Commissioner Jacob requested that representatives from Cal-Trans be invited to the Water Symposium, as well as individuals from tribal communities.

This was an information item only and no action was required by the Commission.

Item 11

Project Update on Emergency Medical Services Availability to Unserved Areas in San Diego County

Shirley Anderson provided a PowerPoint presentation to the Commission that discussed the island issue in San Diego County. She said that LAFCO staff held a meeting with local agencies who surround the island areas. Ms. Anderson said that representatives from the local agencies contributed to a productive discussion at the meeting, and that a follow-up meeting will be held on March 27th. She said that road access and response time will be included in the discussions at the upcoming meeting.

In response to a question from Commissioner Jacob regarding property tax revenues, Shirley Anderson said that a property tax exchange would transfer to the city or district responsible for providing services to the island area. Ms. Anderson also said that the island areas are within the responsibility of CAL FIRE and County Service Area No. 135.

This was an information item only and no action was required by the Commission.

Item 12

First Legislative Update for 2009

LAFCO Consultant Harry Ehrlich provided a staff presentation to the Commission and said that legislative activities were low due to budget negotiations and statewide financial impacts. He reported that a proposed limit of 15 bills by each legislator was being considered, a reduction of the normal 25 limit other than special bills.

This was an information item and no action was required by the Commission.

There being no further business to come before the Commission, the meeting adjourned at 10:00 a.m. to the April 6, 2009 meeting, in Room 302, County Administration Center.

**Tita Jacque Mandapat
Administrative Assistant**