



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Consent | Action

February 4, 2019

TO: Commissioners
FROM: Tamaron Lockett, Executive Assistant
SUBJECT: Approval of Meeting Minutes | Monday, December 3, 2018

SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive minutes prepared for the last meeting held on Monday, December 3, 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 December 3, 2018 regular meeting. Attendance at these meetings follows.

- All members were present on December 3rd with the exception of Bill Wells, Chris Cate (alternate), and Greg Cox (alternate).

Administration County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	Jim Desmond County of San Diego	Catherine Blakespear City of Encinitas	Mark Kersey City of San Diego	Chair Jo MacKenzie Visita Irrigation	Andy Vanderlaan General Public
	Dianne Jacob County of San Diego	Bill Wells City of El Cajon	Chris Cate, Alternate City of San Diego	Vice Chair Ed Sprague Olivenhain Municipal Water	Harry Mathis, Alternate General Public
	Greg Cox, Alternate County of San Diego	Vacant, Alternate City Selection Committee		Judy Hanson, Alternate Leucadia Wastewater	

ANALYSIS

The attached summary minutes for the December 3, 2018 regular meeting accurately reflect San Diego LAFCO's actions as recorded by staff. An audio recording of the meeting has also been posted on the Commission's website.

RECOMMENDATION

It is recommended San Diego LAFCO approve the draft minutes prepared for the December 3, 2018 regular meeting as presented. This recommendation is consistent with Alternative One in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

Approve the draft minutes prepared for the December 3, 2018 regular meeting with any desired corrections or clarifications.

Alternative Two:

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

PROCEDURES

This item has been placed on San Diego LAFCO's agenda as part of the consent calendar. 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 December 3, 2018

**DRAFT MINUTES
SAN DIEGO LAFCO
December 3, 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 December 3, 2018 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
Lorie Zapf, City of San Diego

Alternates Present: Lorie Bragg, City of Imperial Beach (Voting)
Judy Hanson, Leucadia Wastewater District
Harry Mathis, Public

Members Absent: Bill Wells, City of El Cajon
Chris Cate, City of San Diego – Alternate
Greg Cox, County of San Diego – Alternate

The following staff members were also present at the dais during roll call: Executive Officer Keene Simonds; Commission Counsel Holly Whatley; Chief Policy Analyst Robert Barry; Local Governmental Analyst I Linda Zambito; and Executive Assistant Tamaron Lockett.

Commissioner Horn arrived at 9:07 a.m. and Commissioner Zapf arrived at 9:10 a.m.

Commissioner Blakespear left at 10:06 a.m. and Commissioners Bragg and Horn left at 10:45 a.m.

PLEDGE OF ALLEGIANCE

Chair MacKenzie 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. The Executive Officer requested the Commission delay the recognition of service for the departing Commissioners to after the consent items. With no other changes requested, the Chair stated the Commission would proceed as planned with the change requested by the Executive Officer.

SPECIAL PRESENTATIONS

None

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 agenda. Chair MacKenzie noted one speaker slip was received.

The following individual speaker addressed the Commission:

- Julian resident Lori Foss communicated several concerns with the County Fire Authority and/or CALFIRE personnel removing equipment and other belongings of the Julian-Cuyamaca Fire Protection District. Ms. Foss requested the Commission look into the matter and assist in the equipment returning to the District.

CONSENT ITEMS

Item 1

Approval of Meeting Minutes | October 1, 2018

Item presented on the consent calendar for action. Item involves draft minutes prepared for the Commission's October 1, 2018 meeting. Recommendation to approve.

Item 2

Commission Ratification | Recorded Payments for September and October 2018

Item presented on the consent calendar for action. Item involves ratification of recorded financial payments received and distributed for September 1st through October 31st. Payments totaled \$302,012. Recommendation to approve.

Item 3

Budget Update for 2018-19 | 1st Quarter Report

Items presented on the consent calendar for action. Item involves first quarter budget report for 2018-2019. Report projects LAFCO is on pace to finish the fiscal year with a modest operating surplus. Recommendation to accept and file.

CONSENT ITEMS CONTINUED...

Item 4

Amendment to the Employment Agreement for Executive Officer Keene Simonds

Item presented on the consent calendar for action. Item prepared by Counsel and involves an amendment to the Executive Officer's employment agreement. Amendment codifies changes tentatively approved by the Commission on October 1st to increase the annual salary by 5% as well as increase vacation leave benefits to match executive benefits provided by the County. Recommendation to approve.

Item 5

Approve Support Position and Authorize Letter for California WaterFix

Item presented on the consent calendar for action. Item involves a request from Southern California Water Coalition for the Commission to formally support the California WaterFix and its plans to improve the reliability of statewide water supplies generated through the Sacramento Delta. Recommendation for the Commission to approve a support position and authorize the Executive Officer to issue a letter to stakeholders.

Item 6

Progress Report on 2018-2019 Workplan

Item presented on the consent calendar for action. Item involves an update on the specific projects established as part of the adopted workplan for 2018-2019. The report identifies through the first five months close to 60% of all scheduled projects are underway. Recommendation to receive and file.

Item 7

Approval of Meeting Schedule for Calendar Year 2019

Item presented on the consent calendar for action. Item involves setting the regular scheduled meeting dates for 2019. Recommendation to schedule regular meetings each month with exception of January, July, and September.

Item 7 was pulled for discussion. Chair MacKenzie asked if the Commission wished to be dark in December and instead hold a meeting the next month in January. After a brief discussion the Commission agreed to proceed without adjustments.

Item 8

Authorize Holiday Office Closure | December 24th through December 28th

Item presented on the consent calendar for action. Item involves authorization to close the LAFCO office from December 24th through December 28th. Recommendation to approve.

Item 9

Proposed Policy Amendment to Rules | Appointments to the Personnel Committee

Item presented on the consent calendar for action. Item involves an amendment to the Personnel Committee Rules to transition the appointment process to an assigned rotation consisting of the Chair, Vice Chair, and Immediate Past Chair. Recommendation to approve.

CONSENT ITEMS CONTINUED...

Item 10

Results of Protest Proceedings |

County Service Area No. 115 Reorganization; RO14-12 and RO14-13 et al.

Item presented on the consent calendar for information. Item summarizes the protest hearing held on November 8th for the “County Service Area No. 115 Reorganization.” The report noted no written protests were received and the reorganization will proceed and record when all terms are satisfied. No action.

Item 11

Current Proposals and Related Activities

Item presented on the consent calendar for information. Item summarizes an update on active and pending proposals on file with the Commission and other related matters pending before LAFCO. No action.

Item 12

Memorandums | Special District Websites and Expanded Rules for Attorneys

Item presented on the consent calendar for information. Item summarizes a memorandum from Commission Counsel regarding new statues and/or requirements germane to LAFCOs. No action.

Item 13

Expiring Commissioner Terms in 2019

Item presented on the consent calendar for information. Item involves notice of expiring terms on the Commission and related need for staff to initiate two elections on behalf of the Independent Special Districts Selection Commission. No action.

Commissioner Sprague motioned to approve the staff recommendations for Consent Items 1-13. Commissioner Zapf second.

Chair MacKenzie asked for a roll call of vote for the motion on Items 1 through 13.

The Commission Clerk recorded the following votes:

AYES: Commissioners Blakespear, Bragg (voting), Horn, Jacob, MacKenzie, Sprague, Vanderlaan, and Zapf
NOES: None
ABSENT: Cate, Cox, and Wells
ABSTAIN: None

The Commission Clerk confirmed the motion was approved 8-0 with Commissioner Bragg voting in the place of Commissioner Wells.

RECOGNITION OF SERVICE

Chair MacKenzie returned to the scheduled recognition of service for outgoing Commissioners Bragg, Horn, and Zapf and presented each with service awards. Chair MacKenzie thanked the outgoing members for their contributions and was followed by comments from other Commissioners. Commissioners Bragg, Horn, and Zapf offered thoughts on their service and collectively thanked their colleagues for the opportunity to serve with them on LAFCO.

PUBLIC HEARING ITEMS

Item 14

First Reading | Proposed Comprehensive Fee Schedule Update

Item presented on the public hearing calendar for discussion. The Executive Officer summarized the item, which involves a first-reading of a proposed comprehensive fee schedule update to (a) transition to fixed charges, (b) establish a municipal service review maintenance fee, and (c) revise fee reduction and waiver allowances and other charges. The Executive Officer noted the item focuses on cost-recovery and is being presented for feedback ahead of initiating a formal public comment period with the goal of returning as early as the February 4th meeting for formal action. The Executive Officer added key aspects of the update include establishing a composite and weighted hourly staff rate in the amount of \$122 reflecting current labor and non-labor costs to the Commission in processing proposals. The Executive Officer also noted several new policy provisions underlie the proposed update, including transitioning the authority to approve fee waivers and reductions from the Executive Officer to the Commission less certain specific circumstances. Chair MacKenzie asked the Commission if there were any questions for staff.

Commissioner Blakespear asked for clarity on the increased proposal fees and how LAFCO would be using the additional revenue and whether it would reduce costs to the funding agencies. The Executive Officer noted the initial aim of the improved cost-recovery tied to the proposed update is to help reduce and ultimately eliminate the current LAFCO practice to use reserves as offsetting revenues. The Executive Officer similarly added the additional monies expected to be generated from the update would also allow LAFCO to fund one-time capital improvement projects without passing the costs into the agency contributions.

Commissioner Blakespear followed up and asked if the reserves were being depleted and what examples could the Executive Officer provide with respect to potential capital improvement projects. The Executive Officer noted LAFCO's recent practice has been to budget no less than \$100,000 in reserves as offsetting revenues and done so to help absorb and limit increases to the agencies, and if this trend were to continue the fund balance would be depleted within the next 10 years. The Executive Officer also offered two examples of one-time capital improvement projects that could be partially or wholly funded through the increase in fee revenues subject to Commission deliberations and approval: purchasing a new computer system and/or its own office space.

PUBLIC HEARING ITEMS CONTINUED...

Commissioner Vanderlaan asked the Executive Officer about the process to solicit comments on the proposed fee schedule update from the local agencies. The Executive Officer responded that a notice would be sent to all local agencies as well as other community stakeholders after the hearing and feedback from the Commission and ahead of returning with a final document as early as the February meeting.

Commissioner Sprague asked if the format of the proposed fee schedule is consistent with other LAFCOs throughout the state. The Executive Officer noted the current fee schedule reflects common past practice for many LAFCOs, and as updates have occurred most are similarly transitioning to the format before the Commission and its emphasis on fixed fees.

Commissioner Blakespear commented about the LAFCO-County relationship and whether Commissioners Horn or Jacob had thoughts about LAFCO possibility going independent with respect to its own office space.

Commissioner Jacob responded the relationship between LAFCO and the County is a cost analysis for both agencies. Commissioner Jacob added it would be appropriate for LAFCO to consider the example made by the Executive Officer about exploring the purchase of its own office space at some point and decide then whether there are sufficient benefits.

Commissioner Horn added that LAFCO has historically depended on the County for various services and functions and the two agencies have established a good working relationship.

Chair MacKenzie commented about the fees for homeowners seeking annexations due to failing septic systems. The Executive Officer responded the proposed update includes a provision to automatically reduce the baseline fee by 75% to address documented public health or safety threats.

Commissioner Mathis commented about the continuation of the current practice to use reserves as offsetting revenues and need to have a more sustainable practice. Commissioner Mathis added the proposed update provides a clear rationale in resetting fees, and pending the input from the public and local agencies it seems reasonable.

Commissioner Vanderlaan commented about the relationship of the Commission and the County and noted there are benefits to both agencies. Commissioner Vanderlaan also publicly thanked Supervisors Horn and Jacob for their work on improving fire services throughout San Diego County and cited it as an example of a good partnership.

With no more questions or comments from the Commission, Chair MacKenzie opened the public hearing and asked if there were any audience members wanting to speak on the item.

PUBLIC HEARING ITEMS CONTINUED...

- Joe Naiman approached the dais and asked whether the proposed update changes the costs to special districts seeking latent power expansions. Mr. Naiman proceeded to give an example involving the Fallbrook PUD. The Executive Officer responded the proposed update would affect latent power requests in equal measure to changes proposed for other types of jurisdictional changes, like annexations and detachments.

Seeing no others approach the dais, the Chair closed the public hearing and noted feedback has been provided to staff and the item would return as early as February for formal action.

BUSINESS ITEMS

Item 15

Results of Protest Proceedings and Related Items |

Julian-Cuyamaca Fire Protection District Reorganization; RO18-09 et al.

Item presented on the business calendar for action. The Executive Officer summarized the report regarding the protest hearing held on October 16, 2018 involving the Commission's earlier September 10th approval of the "Julian-Cuyamaca Fire Protection District Reorganization." This included noting sufficient written objections were received from registered voters by the close of the protest hearing as vetted by the Registrar of Voters (ROV) to require an election to confirm the Commission's earlier approval. The Executive Officer added the Commission is now tasked with adopting a resolution to certify the results of the protest hearing and formally request the Board of Supervisors call an election with the option to provide recommendations therein with respect to type and date. The Executive Officer added the Commission must also approve an impartial analysis of the reorganization for placement on the ballot in anticipation of filing with the ROV. The Executive Officer proceeded to summarize recommendations to request the Board of Supervisors call a special election by mail-ballot within 100 days with the understanding LAFCO would be responsible for all related costs, which was estimated at \$50,000 to \$65,000. A draft impartial analysis was also presented and discussed.

Chair MacKenzie asked if there were any questions of staff.

Commissioner Jacob asked if she and Commissioner Horn were eligible to participate in the decision-making on the item since it will be presented to the Board of Supervisors. Commission Counsel Whatley confirmed both Commissioners Horn and Jacob are eligible to partake in the decision process.

Seeing no more questions, Chair MacKenzie invited comments from the public.

BUSINESS ITEMS CONTINUED...

The following members of the audience approached the dais:

- Julian-Cuyamaca Fire Protection District Director Michael Menghini addressed the Commission noting – among other items – the District was not given an opportunity to comment on the draft impartial analysis before the meeting.
- Julian resident Lori Foss addressed the Commission and asked for clarification regarding the reference to two separate \$50 special assessments noted in the draft impartial analysis. Ms. Foss also expanded on earlier concerns provided at the start of the meeting regarding the current County and District relationship and suggested these issues get addressed before an election is scheduled.
- County Fire Authority Director Herman Reddick approached the dais and responded to the question from Ms. Foss and noted the two special parcel assessments were completed at different times (1984 and 2006) and that most are paying the first and all are paying the second with the latter tied to funding the new fire station.

Commissioner Jacob suggested the Julian-Cuyamaca Fire Protection District and the County Fire Authority work closely to coordinate activities ahead of the election to address the concerns cited by Ms. Foss. Commissioner Jacob also asked staff what would happen if the election process is deferred to the next scheduled primary election in 2020. The Executive Officer noted proceeding as quickly as reasonably possible in scheduling an election was in the best interest of all parties and cited examples. Commissioner Jacob also asked about current operations in the District going forward while waiting for the election and its results. County Fire Authority Director returned to the dais at the invitation of the Chair and responded there is a current contract with Julian-Cuyamaca Fire Protection District for the County to provide support services and this will continue unless one or both of the parties chooses to terminate the contract.

Commission Counsel Whatley clarified the Commission does not have discretion to delay the election procedures with respect requesting the Board of Supervisors call an election; the Board of Supervisors – however – has discretion in setting the type and date.

Commissioner Sprague requested a change to the impartial analysis to replace all references of “professional” firefighters to “career” firefighters. Commission discussion followed and members expressed support to make the change.

Chair MacKenzie asked if there were any other requested revisions. The Executive Officer suggested it would be appropriate based on feedback from County Fire Authority Director Herman Reddick to revise the impartial analysis to clarify the first of the two active assessments does not apply to all residents within the District. Members agreed.

BUSINESS ITEMS CONTINUED...

With no more comments the Chair asked for a motion.

Commissioner Jacob motion to approve the staff recommendation outlined as Alternative One in the agenda report to certify the results of the protest hearing, request the Board of Supervisors call a special election by mail ballot within 100 days, and approve the impartial analysis with the revisions as discussed. Commissioner Horn second.

Commissioner Jacob separately suggested that it would be helpful for the County Fire Authority to address the concerns made by Ms. Foss regarding the equipment removal. Commissioner Jacob also suggested LAFCO consider providing an update on the reorganization at the next meeting. Chair MacKenzie agreed with these suggestions.

Commissioner Blakespear left at 10:10 a.m.

Chair MacKenzie asked for a roll call of vote for the motion on Item 15.

The Commission Secretary recorded the following votes:

AYES: Commissioners Bragg (voting), Horn, Jacob, MacKenzie, Sprague, Vanderlaan and Zapf

NOES: None

ABSENT: Commissioners Blakespear, Cate, Cox, and Wells

ABSTAINING: None

The Secretary confirmed the motion was approved 7-0 with two absent (Commissioners Blakespear and Wells).

Item 16

Proposed “Lake Henshaw Change of Organization” | Annexation to the Vista Irrigation District; DA18-11

Item presented on the business calendar for action. Analyst Linda Zambito summarized the item and recommendation for the Commission to approve the requested annexation of three unincorporated parcels totaling approximately 88.2 acres near Lake Henshaw.

Commissioner Horn asked if Chair MacKenzie could vote since the proposal affects her District. Commission Counsel Whatley confirmed Chair MacKenzie can vote on the item.

Chair MacKenzie offered additional details on the proposal from the District perspective.

Chair MacKenzie invited questions or comments from the Commission followed by members of the audience.

Chair MacKenzie proceeded to ask for a motion.

BUSINESS ITEMS CONTINUED...

Commissioner Vanderlaan motion to approve the staff recommendation for Alternative One as outlined in the agenda report to approve the proposal with standard terms. Commissioner Sprague second.

Chair MacKenzie asked for a roll call of vote for the motion on Item 16.

The Commission Secretary recorded the following votes:

AYES: Commissioners Bragg (voting), Horn, Jacob, MacKenzie, Sprague, Vanderlaan and Zapf

NOES: None

ABSENT: Commissioners Blakespear, Cate, Cox, and Wells

ABSTAINING: None

The Secretary confirmed the motion was approved 7-0 with two absent (Commissioners Blakespear and Wells).

Item 17

Chair and Vice Chair Appointments for 2019

Item presented on the business calendar for action. Item involves selecting a Chair and Vice Chair for 2019. The Executive Officer briefly summarized the item and noted it has been the practice of the Commission to either reappoint the Chair or Vice Chair for an additional year or to rotate the Vice Chair to Chair and appoint a new Vice Chair.

Commissioner Sprague noted his term will end in May 2019 and given the uncertainty of the election and whether he will receive another term it would seem appropriate to keep the current Chair and Vice Chair appointments in 2019.

Commissioner Jacob agreed with the suggestion from Commissioner Sprague to retain the current appointments.

Commissioner Vanderlaan offered his appreciation to both Chair MacKenzie and Vice Chair Sprague for their service during the year and help with managing the transition with the new Executive Officer, and agreed keeping the appointments would be appropriate.

Commissioner Sprague motion to reappoint the Chair and Vice Chair for 2019. Commissioner Bragg second.

Chair MacKenzie asked for a roll call of vote for the motion on Item 16.

The Commission Secretary recorded the following votes:

BUSINESS ITEMS CONTINUED...

AYES: Commissioners Bragg (voting), Horn, Jacob, MacKenzie, Sprague, Vanderlaan and Zapf

NOES: None

ABSENT: Commissioners Blakespear, Cate, Cox, and Wells

ABSTAINING: None

The Secretary confirmed the motion was approved 7-0 with two absent (Commissioners Blakespear and Wells).

Commissioners Horn and Bragg left at 10:45 a.m.

Item 18

Report from CALAFCO Annual Conference

Item presented on the business calendar for information and serves as a verbal report from Commissioners Hanson, MacKenzie, and Vanderlaan regarding their attendance at the CALAFCO Annual Conference held on October 3-5, 2018 in Yosemite. Commissioner Vanderlaan noted that former Executive Officer Michael Ott of San Diego LAFCO received the “Mike Gotch” Award. The Executive Officer also noted his appreciation to Chief Abbot with North County Fire Protection District and Chief Butz with Lakeside Fire Protection District for their attending the conference and participating in a session with LAFCO staff.

CLOSED SESSION

Chair MacKenzie noted that Items 19 and 20 were to be heard in closed session. (Commissioners Blakespear and Horn were excused and did not participate in the closed session items).

Closed session adjourned at 10:50 a.m.

Item 19

Conference with Legal Counsel – Existing Litigation:

Pursuant to Government Code Section 54956.9(d)(1): Southcott et al. Julian-Cuyamaca Fire Protection District, et al., San Diego Superior Court Case No. 37-2018-00233393-CU-WM-CTL; Fourth District Court of Appeal Case No. D074324.

Item 20

Conference with Legal Counsel – Anticipated Litigation:

Pursuant to Government Code Section 54956.9(d)(2): Significant exposure to Litigation involving two potential cases.

The Commission reconvened into open session at 11:10 a.m. with Commission Counsel reporting no reportable action.

EXECUTIVE OFFICER REPORT

The Executive Officer made the following comments:

- Announced San Diego LAFCO's new logo has been completed with copies presented to the Commission on the dais with the goal of updating the letterhead starting in January 2019.
- Announced a new analyst has been hired and will be in attendance at the February meeting.
- Announced he met with former LAFCO Executive Officer Jane Merrill and noted her accommodations in discussing past activities and projects.

COMMISSION 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 11:12 a.m. until February 4, 2019.