

**MINUTES  
SPECIAL MEETING OF THE  
LOCAL AGENCY FORMATION COMMISSION  
MUNICIPAL SERVICE REVIEW WORKING GROUP  
AND SPECIAL DISTRICTS ADVISORY COMMITTEE  
MONDAY, FEBRUARY 2, 2004**

**2B**

LAFCO Chairwoman Patty Davis (LAFCO Commissioner-Councilmember) convened the special meeting of the Local Agency Formation Commission, Municipal Services Review Working Group, and the Special Districts Advisory Committee at 9:48 a.m. At the request of Chairwoman Davis, separate roll calls were conducted to establish individual quorums for the San Diego Local Agency Formation Commission, Municipal Services Review Working Group and the Special Districts Advisory Committee. Present were:

**LAFCO Commission:** Commissioners: Councilmember Patty Davis (Cities), Councilmember Donna Frye (City of San Diego), Supervisor Horn (County), Supervisor Dianne Jacob (County), Bud Pocklington (Special Districts), Andrew Vanderlaan (Public-at-Large) and Ron Wootton (Special Districts); Alternate Commissioners Harry Mathis (Public-at-Large), Andrew Menshek (Special Districts), and Betty Rexford (Cities). Absent were: Regular Commissioner - Councilmember Jill Greer (Cities), Alternate Commissioner –Supervisor Greg Cox (County).

**Special Districts Advisory Committee:** Gary Arant (Valley Center MWD), Barbara Barber (Helix WD), Harry Ehrlich (Olivenhain MWD), Ron Fuller (Alpine FPD), Daniel Goldberg (Fallbrook Healthcare District), Trish Hannan (Vallecitos WD), Judy Hanson (Leucadia CWD), Dr. Hanno E. G. Ix (Rincon del Diablo MWD), Darrell Jobes (East County FPD), Jo MacKenzie (Vista ID), John Pastore (Rancho Santa Fe CSD), Tom Pocklington (Bonita-Sunnyside FPD), Augie Scalzitti (Padre Dam MWD), and Dennis Shepard (North County CD). Absent was: Keith Lewinger (Fallbrook PUD),

**Municipal Services Review Working Group:** Chairman Andy Vanderlaan (LAFCO Commissioner-Public), Vice Chairman Harry Ehrlich (Special Districts Advisory Committee), Councilmember Patty Davis (LAFCO Commissioner-Cities), Supervisor Dianne Jacob (LAFCO Commissioner-County), Andy Menshek (LAFCO Commissioner-Special Districts), Jo MacKenzie (Special Districts Advisory Committee), Paul Malone (Ad Hoc Cities Advisory Committee), and Penny Riley (Ad Hoc Cities Advisory Committee).

Also present were **LAFCO Staff:** Executive Officer Michael Ott; Chief, Policy Research Shirley Anderson; LAFCO Legal Counsel William Smith, and GIS/IT Administrator Pete Janemark.

**Item 2****Presentation of Plaque of Appreciation to Former Chairwoman Dianne Jacob**

Chairwoman Patty Davis presented a Plaque of Appreciation to former LAFCO Chairwoman Dianne Jacob for her dedicated service to San Diego Local Agency Formation Commission and was commended for her governmental leadership from the duration of 1995 to 2003.

**Item 3****Commissioner / Committee Member / Working Group Member / Executive Officer Announcements**

Michael Ott announced that LAFCO staff members Jacque Cayetano and Jan Bryson received a perfect rating of 5 on the Customer Service Survey given by the County of San Diego. In addition, Mr. Ott reported that LAFCO has a new staff member, Local Governmental Analyst Laura Biery. Another announcement made by Michael Ott was the appointment of Harry Ehrlich to the Association of California Water Authority's Legislative Committee.

**Item 4****Meeting Procedures: Executive Officer's Summarization of Meeting Procedures that were Previously Approved for Conducting the Special Meeting**

Mr. Ott summarized the meeting procedures, which were previously approved at the April 2003 special joint meeting. He recommended that Chairwoman Davis coordinate the special meeting; however, the chairpersons' of the three groups (Harry Ehrlich, Andy Vanderlaan, and Councilmember Davis) should lead discussions and deliberations separately. Mr. Ott discussed the rules to establish quorum requirements for each group and for voting on motions for items on the agenda.

In response to a question from Special Districts Advisory Committee Chairman, Harry Ehrlich, Mr. Ott said that the three groups would have an opportunity for their testimony to be consolidated as well as their discussions, while deliberations would be conducted separately.

**Item 5****Approval of Minutes of Meeting held December 1, 2003 (Working Group Only)**

Chairman Andy Vanderlaan asked if there were any changes or additions to the minutes of the Special Meeting held on December 1, 2003.

With Patty Davis abstaining, on motion of Harry Erlich, seconded by Jo MacKenzie, and carried unanimously by the members present, the Municipal Services Review Working Group dispensed with reading the minutes of the December 1, 2003 Special Meeting of the Local Agency Formation Commission, Municipal Services Review Working Group, and the Special Districts Advisory Committee and approved the Working Group portion of said minutes.

## Item 6

### Executive Officer's Recommended Agenda Revisions

Michael Ott indicated there were no revisions to the agenda.

## Item 7

### Public Comment

No members of the public requested to speak.

## Item 8

### Presentation of the final DRAFT report of the Southern San Diego County Water and Sewer Municipal Service Review (MSR)

Michael Ott said that the three groups have been involved in much more than the Southern San Diego County Water and Sewer MSR. He said that the Working Group was established to achieve the goal of developing local guidelines and strategies to conduct all service reviews in San Diego County. He indicated that in achieving that goal, the guidelines and strategies were instrumental in completing the North County Inland Area MSR. In addition, Mr. Ott indicated that LAFCO is in the process of conducting a municipal service review and sphere update involving 28 different fire agencies, which the Executive Director of the Task Force on Fire Protection and Emergency Medical Services will manage. He also indicated that a North Central MSR, an Upper San Diego River MSR and Sphere of Influence project, a Cemetery Service MSR, and the Tijuana Valley MSR/Sphere Update are in progress.

Michael Ott discussed what a municipal service review is, which he indicated is an informational report that provides beneficial information to local agencies, the public, and LAFCO in terms of how services are delivered. Mr. Ott introduced Chief of Policy Research, Shirley Anderson, who presented a PowerPoint presentation of the staff report.

Shirley Anderson said that a special joint meeting was arranged in order for the working group to consider the final Draft of the Southern San Diego County Water and Sewer Municipal Service Review staff report. Ms. Anderson stated that municipal service reviews are not ongoing studies, may require different levels of inquiries, and require accurate data to determine meaningful determinations. Ms. Anderson recommended that the municipal service review be exempt from CEQA because it is only an informational study, and accept the municipal service review and 95 determinations. She then requested direction and comments from the working group regarding the staff report.

Commissioner Dianne Jacob complimented LAFCO staff for their excellent job in producing the municipal service review staff report. Commissioner Jacob stated that she believed that Village 14 mentioned in the staff report is open space, and indicated that sewer and water is not needed for that area; therefore, any mention of Village 14 should be deleted from the municipal service review staff report. In regards to Village

13 (Otay Ranch Resort development), Commissioner Jacob reported that the Otay Water District has included the Otay Ranch Resort within its water service master plan and intends to pursue the annexation of the property into its service boundaries. She also reported that the Otay Ranch Resort project proposes to receive sewer service from the Spring Valley Sanitation District, which will require annexation to the District.

Shirley Anderson responded by indicating that LAFCO has not received any proposals for any of the items that Commissioner Jacob reported; therefore, it is difficult to say what is being proposed in the unincorporated area.

Commissioner Jacob commented that the municipal service review mentions other projects and properties that discuss the relationship of other districts in need of either water or sewer; therefore, the staff report should mention the Spring Valley Sanitation District's and the Otay Water District's relationship to Village 13. Shirley Anderson indicated that LAFCO does not have specific information of the relationship between the Districts and Village 13, but LAFCO staff will conduct further research on the issue.

In response to several comments from Ron Wootton, Michael Ott said in terms to the reference of the word "adequate," the municipal service review staff report substantiates the meaning by reviewing the data summary, analysis, and different comparisons on how services are provided, comparison on rates, and comparative data on service issues (i.e. sewage spills or regulatory violations). Mr. Ott said that those indicators illustrate what the norm is for the Southern San Diego County. Ron Wootton suggested that Mr. Ott's response be added to staff's recommendation. Michael Ott said that the determinations included in the municipal service review are information level conclusions that clarify statements and do not result in action. Mr. Ott indicated that a paragraph could be added to the determination section of the report to clarify the nature of the determinations.

In response to Commissioner Jacob's comment, Michael Ott said that the municipal service review staff report is a draft report. He indicated that LAFCO staff would be able to add clarifying information to the report in regards to the development projects Ms. Jacob discussed.

Chairwoman Patty Davis said that two public comment request slips, from Paul Lewis and Larry Breitfelder, were submitted to the working group. Chairwoman Davis invited the speakers to the podium for public testimony.

Paul Lewis, President of Otay Water District, addressed the working group with general comments and concerns of the District. In response to a question from Harry Erlich, Mr. Lewis said that the last information sent to LAFCO staff was a correspondence dated January 28, 2004, and no new information has been submitted since then.

Michael Ott stated that he would like to respond to Mr. Lewis' comments regarding the January 28 correspondence at the conclusion of the public testimony. In addition, Mr. Ott reported that information from the Helix Water District was submitted to LAFCO staff on January 26, 2004.

In response to a comment from Dianne Jacob, Paul Lewis stated that he was appointed to the Otay Water District Board due to a former board member who falsely represented an address and was legally removed from the board. Mr. Lewis indicated that since he has been on the board, he has not seen any additional legal ramifications and believes that Otay Water District's legal issues have been contained.

Larry Breitfelder, Otay Water District board member, provided general comments and concerns. He thanked the working group and said that the report confirms that Otay Water District provides adequate services, that the District learned from the MSR, and that the report provides a good starting point for future improvements. In addition, Mr. Breitfelder indicated that written comments will be provided to LAFCO staff and requested that those comments be included in the final report.

Judy Hanson left at 11:08 a.m.

Gary Arant inquired about the objective of Determination 9.2, which states districts should encourage candidates to run against incumbent directors. He also asked about Determination 9.4, and asked for clarification on who should verify candidate information because he believes the Registrar of Voters were the responsible party, as opposed to the city or district. In regards to public confusion on financial transactions of water districts and cities, Mr. Arant asked where the source of that information came from.

Bud Pocklington thanked LAFCO staff for the report. He indicated that the report is useful because it provides suggestions to agencies on how to improve on providing services to customers.

In response to Mr. Arant's question regarding candidate verification, Michael Ott said that the Registrar of Voters is the responsible party for making determinations required under the elections code for residency. Mr. Ott said that although they are the responsible party, the objective of Determination 9.2 is for special districts to take a proactive approach towards verification of residency issues, because the current verification process has a history of failure.

In a response to Dr. Hanno E.G. Ix's question regarding verification of candidates' residency, Barbara Barber explained Helix Water District's candidate verification process. She gave additional information on consequences to candidates who provide false information to the Registrar of Voters in order to become a board member of a district. Ms. Barber encouraged public members to report candidates who commit fraud.

In response to the Otay Water District's January 28, 2004 letter presented to the working group, Michael Ott explained that the rate information provided on page two of the letter makes sense for incorporation into the final draft of the municipal service review staff report. Mr. Ott indicated that incorporation of the data in the report would not replace the data that is already in the document. He said that the Otay Water District's methodology of illustrating customer cost for the provision of water service is good and explained that the objective of the report is to show variation in rate setting methodologies with different districts. In regards to information in the letter concerning

employee matters, Michael Ott said that LAFCO does not have purview over grievances filed by employees; therefore, Mr. Ott said that the Otay Water District's request to include information pertaining to employee matters should not be incorporated in the staff report. Also, Mr. Ott suggested that MSR information should be shared with other agencies and the public.

### **Special Districts Advisory Committee Deliberations**

Harry Ehrlich asked the Special Districts Advisory Committee if there were any comments or suggestions to LAFCO staff.

In response to a question from Dr. Hanno E.G. Ix, Michael Ott indicated that the staff report would be available on disk in the future and is also accessible from the San Diego LAFCO website.

Augie Scalzitti agreed with LAFCO staff's suggestion of Determination 9.2, which is for special districts to take a proactive approach towards helping with the process of candidate verification.

Jo MacKenzie suggested that potential candidates should go to the Registrar of Voters first before the district.

In response to a question from Harry Ehrlich, Michael Ott said that all information in the staff report is manifested in the determinations and based on record. Mr. Ott said that the determinations are based on facts or evidence.

Harry Ehrlich thanked districts for their assistance and cooperation in providing information to LAFCO staff for the preparation of the staff report.

In response to a question from Ron Fuller, LAFCO Counsel Bill Smith said that the recommendations have no binding effect and that there is no environmental effect from them.

On motion of Gary Arant, seconded by Jo MacKenzie, and carried unanimously by the members present, the Special Districts Advisory Committee took the following actions:

1. Found in accordance with the Executive Officer's determination, that pursuant to Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource.
2. For the reasons set forth in the Southern San Diego County Water and Sewer Service Municipal Service Review, recommended approval of the Municipal Service Review and associated Determinations and forward it to the Local Agency Formation Commission.

## **Municipal Services Review Working Group Deliberations**

Andy Vanderlaan commented on the collaboration of the Special Districts Advisory Committee, Municipal Services Review Working Group, LAFCO Commission, and LAFCO staff in preparing the Southern San Diego County Water and Sewer Municipal Service Review. He asked the Municipal Services Review Working Group if there were any comments or suggestions to LAFCO staff.

On motion of Jo MacKenzie, seconded by Harry Erlich, and carried unanimously by the members present, the Municipal Services Review Working Group took the following actions:

1. Found in accordance with the Executive Officer's determination, that pursuant to Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource.
2. For the reasons set forth in the Southern San Diego County Water and Sewer Service Municipal Service Review, recommended approval of the Municipal Service Review and associated Determinations and forward it to the Local Agency Formation Commission.

Andy Vanderlaan indicated that the Municipal Services Review Working Group would be disbanded, and thanked the working group for their support and participation.

Andy Menshek left at 11:43 a.m.

## **Local Agency Formation Commission Deliberations**

Patty Davis asked the Local Agency Formation Commission if there were any comments or suggestions to LAFCO staff.

On motion of Ron Wootton, seconded by Betty Rexford, and carried unanimously by the members present, the Local Agency Formation Commission took the following actions:

1. Found in accordance with the Executive Officer's determination, that pursuant to Section 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource.
2. For the reasons set forth in the Southern San Diego County Water and Sewer Service Municipal Service Review, adopted the Municipal Service Review, subject to the Executive Officer's technical clarification of certain sections of the final document.

3. Authorized the Executive Officer to technically amend the Southern San Diego County Water and Sewer Service Municipal Service Review report to include the following:
  - a. Clarify information regarding Village 14 in the municipal service review staff report.
  - b. Clarify information about the Spring Valley Sanitation District's and the Otay Water District's relationship to Village 13.
  - c. Provide additional information in the determination section of the report to clarify the nature of the determinations.

In response to a question from Donna Frye, Michael Ott indicated that the final report would reconcile questionable information on district surveys contained in the appendix.

There being no further business to come before the working group, the joint meeting adjourned at 11:47 a.m.

TITA JACQUE CAYETANO  
Administrative Assistant