

## REGULAR MEETING AGENDA

### SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

**MONDAY, DECEMBER 3, 2018, 9:00 A.M.**  
COUNTY ADMINISTRATION CENTER | ROOM 302  
1600 PACIFIC HIGHWAY  
SAN DIEGO, CALIFORNIA

#### 9:00 A.M. – CALL TO ORDER BY CHAIR | ROLL CALL

#### PLEDGE OF ALLEGIANCE

#### AGENDA REVIEW

The Chair will consider requests to remove or rearrange items on the agenda.

#### RECOGNITION OF SERVICE

The Commission will recognize the services of the following members:

Commissioner Bill Horn  
Commissioner Lori Zapf  
Commissioner Alternate Lorie Bragg

#### SPECIAL PRESENTATIONS

The Commission will hear from invited guests of the Chair and/or Executive Officer.

#### PUBLIC COMMENT

Opportunity for members of the public to speak to the Commission on any subject matter within the Commission's jurisdiction, but not an item on today's agenda. Each speaker's presentation may not exceed 3 minutes. (Please note for items on today's agenda, speakers should fill out a speaker slip and address the Commission when the agenda item is discussed and their name is called.)

#### CONSENT ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair will also consider requests to pull an item for discussion.

##### 1. **Approval of Meeting Minutes | October 1, 2018 (action)**

The Commission will consider approving summary minutes prepared by LAFCO staff for the October 1, 2018 regular meeting.

## CONSENT ITEMS CONTINUED...

- 2. Commission Ratification | Recorded Payments for September and October 2018 (action)**  
The Commission will consider ratifying payments received and made for the months of September and October 2018. These payments cover all recorded transactions for the two-month period and include \$302,012 in total distributions made by the Executive Officer.
- 3. Budget Update for 2018-2019 | 1<sup>st</sup> Quarter Report (action)**  
The Commission will review a report comparing budgeted and actual transactions for 2018-2019 through the first quarter and its projection LAFCO will finish with a modest operating surplus of \$14,665 or 1%. The report is being presented to the Commission to accept and file as well as provide direction as needed.
- 4. Amendment to the Employment Agreement for Executive Officer Keene Simonds (action)**  
The Commission will consider an amendment to its employment agreement with the Executive Officer to increase salary and adjust the vacation leave benefits to conform to County of San Diego vacation accrual policies for executive management. The amendment memorializes approvals made by the Commission at the October 1, 2018 meeting.
- 5. Approve Support Position and Authorize Letter for California WaterFix (action)**  
The Commission will consider a request from the Southern California Water Coalition to support the California WaterFix and its plan to improve the reliability of statewide water supplies generated through the Sacramento Delta. Staff recommends the Commission proceed with approving a support position as well as authorizing an accompanying letter to local legislators in conjunction with input provided by the San Diego County Water Authority.
- 6. Progress Report on 2018-2019 Workplan (action)**  
The Commission will receive a progress report on accomplishing specific projects established as part of the adopted workplan for 2018-2019. The report includes identifying projects already underway through the first five months and is being presented to formally receive and file.
- 7. Approval of Meeting Schedule for Calendar Year 2019 (action)**  
The Commission will consider approving a schedule for the upcoming calendar year and a recommendation to hold regular meetings each month with the exception of January, July, and September. No special meetings are recommended.
- 8. Authorize Holiday Office Closure | December 24<sup>th</sup> through December 28<sup>th</sup> (action)**  
The Commission will consider a request by the Executive Officer consistent with past practice to authorize the closure of the LAFCO office for the week of December 24, 2018.
- 9. Proposed Policy Amendment to Rules | Appointments to the Personnel Committee (action)**  
The Commission will consider approving amendments to the Rules involving the Personnel Committee to transition the appointment process to an assigned rotation consisting of the Chair, Vice Chair, and Immediate Past Chair. It also authorizes the Chair to fill the seat of the Immediate Past Chair should he or she no longer serve on the Commission.

## CONSENT ITEMS CONTINUED...

### 10. Results of Protest Proceedings |

#### **County Service Area No. 115 Reorganization; RO14-12 and RO14-13 et al. (information)**

The Commission will receive the results of the protest hearing conducted for the “County Service Area No. 115 Reorganization.” The noticed hearing was held by the Executive Officer on November 8th and did not produce any written objections, and as such the approval will proceed and record once all terms are satisfied.

### 11. Current Proposals and Related Activities (information)

The Commission will receive an update on active proposals as well as other related matters pending before LAFCO. Information only

### 12. Memorandums | Special District Websites and Expanded Rules for Attorneys (information)

The Commission will receive two memorandums prepared by Commission Counsel regarding new statutes and/or requirements germane to LAFCOs. Information only.

### 13. Expiring Commissioner Terms in 2019 (information)

The Commission will receive a report identifying membership terms that are set to expire in May 2019 and necessitate new appointments and/or reappointments from their designated authorities. This includes a future action by the Commission to appoint/reappoint an alternate public member. Information only.

## PUBLIC HEARING ITEMS

Public hearing items require expanded public notification per provisions in State law or voluntarily placed by the Executive Officer to facilitate broader discussion.

### 14. First Reading | Proposed Comprehensive Fee Schedule Update (discussion)

The Commission will review a proposed comprehensive fee schedule update as part of a first-reading and highlighted by transitioning to fixed charges based on proposal type. The establishment of a composite hourly staff rate and assignment of set staff hours for most proposals further underlies the transition. The proposed update is being presented for feedback and ahead of initiating public review before returning for action in February 2019.

## BUSINESS ITEMS

Business items involve regulatory, planning, or administrative items that do not require a hearing.

### 15. Results of Protest Proceedings and Related Items |

#### **Julian-Cuyamaca Fire Protection District Reorganization; RO18-09 et al. (action)**

The Commission will receive the results of the protest hearing conducted for the “Julian-Cuyamaca Fire Protection District Reorganization” and consider taking related actions. The noticed protest hearing was held by the Executive Officer on October 16, 2018 and produced written objections necessitating an election. It is recommended the Commission formalize the results of the protest through an ordering resolution requesting the Board of Supervisors call an election along with making recommendations on date and type. It is also recommended the Commission approve an impartial analysis to appear on the ballot.

**BUSINESS ITEMS CONTINUED...**

**16. Proposed “Lake Henshaw Change of Organization” |  
Annexation to the Vista Irrigation District; DA18-11 (action)**

The Commission will consider a change of organization proposal filed by the Vista Irrigation District to annex three unimproved and unincorporated parcels totaling approximately 88.2 acres. The affected territory is located near Lake Henshaw in northeast San Diego County and lies outside of the Vista ID sphere of influence. The purpose of the proposal is to provide cost-savings to Vista ID by eliminating property tax obligations for the affected territory. Staff recommends approval of the proposal without modifications and without amendment to the sphere of influence. Standard terms are also recommended. The County of San Diego Assessor’s Office identifies the subject parcels as 137-092-34, 137-092-35, and 195-050-20.

**17. Chair and Vice Chair Appointments for 2019 (action)**

The Commission will consider officer appointments and select a Chair and Vice Chair for 2019.

**18. Report from CALAFCO Annual Conference (information)**

The Commission will receive a report from Commissioners Hanson, MacKenzie, and Vanderlaan on their overnight travel and attendance at the CALAFCO Annual Conference held in Yosemite on October 3-5, 2018. Verbal report only.

**CLOSED SESSION**

Closed session items are calendared by Commission Counsel.

**19. Conference with Legal Counsel – Existing Litigation:**

Pursuant to Government Code Section 54956.9(d)(1): *Southcott et al. v. Julian-Cuyamaca Fire Protection District, et al.*, San Diego Superior Court Case No. 37-2018-0023393-CU-WM-CTL; Fourth District Court of Appeal Case No. D074324.

**20. Conference with Legal Counsel – Anticipated Litigation:**

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

**EXECUTIVE OFFICER REPORT**

**COMMISSIONER ANNOUNCEMENTS | REQUESTS FOR FUTURE ITEMS**

**ADJOURNMENT TO NEXT MEETING**

February 4, 2019

**Attest to Posting:**



**Tamaron Lockett  
Executive Assistant**

Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) business days prior to the meeting for any requested arraignments or accommodations.

## 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

# 1

## AGENDA REPORT Consent | Action

December 3, 2018

**TO:** San Diego Commissioners  
**FROM:** Tamaron Lockett, Executive Assistant  
**SUBJECT:** **Approval of Meeting Minutes |  
Monday, October 1, 2018**

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### SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will receive minutes prepared for the last meeting held on Monday, October 1, 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 October 1, 2018 regular meeting. Attendance at these meetings follows.

- All members were present on October 1<sup>st</sup> with the exception of Bill Wells, Chris Cate (alternate), and Greg Cox (alternate).

## ANALYSIS

The attached summary minutes for the October 1, 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 October 1, 2018 regular meeting with any desired corrections or clarifications. This action is provided as Alternative Action One in the proceeding section.

## ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Approve the draft minutes prepared for the October 1, 2018 regular meeting with any desired corrections or clarifications.

Alternative Two:

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

## 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,



Tamaron Lockett  
Executive Assistant

Attachment:  
1) Draft Meeting Minutes for October 1, 2018

**DRAFT MINUTES**  
**SAN DIEGO LAFCO**  
**October 1, 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 October 1, 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

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

Commissioner Zapf arrived at 9:05 a.m.

**PLEDGE OF ALLEGIANCE**

Commissioner Jacob 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 noted no agenda revisions were needed. Chair MacKenzie announced the Commission would proceed with the agenda as presented.

## **PUBLIC COMMENT**

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

## **CONSENT ITEMS**

### **Item 1**

#### **Approval of Meeting | August 6, 2018 and September 10, 2018**

Item presented on the consent calendar for action. Item involves draft minutes prepared for the Commission's August 6<sup>th</sup> and September 10<sup>th</sup> meetings. Recommendation to approve.

### **Item 2**

#### **Commission Ratification | Recorded Payments for July and August 2018**

Item presented on the consent calendar for action. Item involves ratification of recorded financial payments received and distributed for July 1<sup>st</sup> through August 31<sup>st</sup>. Payments totaled \$257,943. Recommendation to approve.

### **Item 3**

#### **End of Year Budget Report for Fiscal Year 2017-2018**

Item presented on the consent calendar for action. Item involves end of year budget report and transactions for 2017-2018. Report identifies LAFCO finished the fiscal year with an operating surplus of \$150,011 while also cancelling the budgeted use of reserves in the amount of \$220,000; resulting in a net savings of \$370,011. Recommendation to approve.

### **Item 4**

#### **Proposed "Camino Largo 8 Reorganization" | Concurrent Annexation to City of Vista and Detachment from the Vista Fire Protection District | RO18-08**

Item presented on the consent calendar for action. Item involves a proposal by the City of Vista to annex 9.3 acres with a concurrent detachment from the Vista Fire Protection District. The affected territory comprises one residential parcel identified as 59-240-07. Recommendation to approve without modifications and with standard terms.

### **Item 5**

#### **Proposed "Austin Drive-Moth Change of Organization" | Annexation to the San Diego County Sanitation District | DA18-12**

Item presented on the consent calendar for action. Items involves a landowner proposal to annex 0.90 acres to the San Diego County Sanitation District comprising one residential parcel identified as 504-241-13 and a portion of the adjacent right-of-way on Montemar Drive in Spring Valley. Recommendation to approve with a modification to add a 0.10-acre portion of the adjacent public-right-away on Austin Drive. Standard terms also recommended.



## CONSENT ITEMS CONTINUED...

### Item 6

#### **Policy Adoption | Conduct of Protest Hearings**

Item presented on the consent calendar for action. Item involves establishing a policy for conducting protest proceedings and includes discretionary standards and allowances in delegating responsibilities to the Executive Officer as well as receiving and valuing written protests. Recommendation to approve.

### Item 7

#### **Progress Report on 2018-2019 Workplan**

Item presented on the consent calendar for action. Item involves progress of specific projects established as part of the adopted workplan for 2018-2019. The report identifies projects that LAFCO have initiated or underway. Recommendation to receive and file.

### Item 8

#### **Current Proposals and Related Activities**

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

### Item 9

#### **Legislative Report**

Item presented on the consent calendar for information only. Item summarizes a report on the pending close of the legislative session with respect to bills that directly or indirectly impact LAFCOs. No action; information only.

Commissioner Sprague motion to approve staff recommendation for consent items No. 1 through 9. Commissioner Bragg second.

Chair MacKenzie asked for a roll call of vote for the motion on Items 1 through 9.

The Commission Secretary recorded the following votes:

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

The Secretary confirmed the motion was approved 8-0.

## **PUBLIC HEARING ITEMS**

### **Item 10**

#### **Proposed Reorganizations and Associated Sphere Amendments | (a) County Service Area No. 115 Reorganization No. 1 for San Miguel Consolidated Fire Protection District and (b) County Service Area No. 115 Reorganization No. 2 for Lakeside Fire Protection District | RO14-12 et al. and RO14-13 et al.**

Chair MacKenzie introduced the proposal. The Executive Officer summarized the two distinct proposals filed by Lakeside Fire Protection District and San Miguel Consolidated Fire Protection District underlying the combined public hearing. The Executive Officer noted the reorganization proposals were initially filed as competing actions to dissolve County Service Area (CSA) No. 115 and annex the approximate 441 acre unincorporated affected territory to their respective agencies in step with assuming fire protection and emergency medical service responsibilities. The Executive Officer stated LAFCO staff has administratively combined the two proposals for processing with the concurrence of both applicants and their subsequent agreement to modify and coordinate the proposals to divide the annexation into equal halves based on assessed value. The resulting combined reorganization proposal generally divides the annexation along Pepper Drive with lands to the north going to Lakeside Fire Protection District and lands to the south going to San Miguel Consolidated Fire Protection District. The Executive Officer recommended the Commission proceed with the modified action as described along with conforming sphere of influence amendments and specified terms as provided in a revised resolution presented on the dais and made available to the audience. The Executive Officer added protest proceedings would apply should the Commission approve the modified action.

Commission Counsel followed the Executive Officer's overview and addressed the revised resolution and confirmed both applicants were notified and accepted the revisions.

Chair MacKenzie opened the public hearing and noted two speaker slips were received from the applicants.

San Miguel Consolidated Fire Protection District Fire Chief Don Butz and Lakeside Fire Protection District Fire Chief Criss Brainard sequentially addressed the Commission and outlined their support for the staff recommendation to approve the modified action. Both speakers thanked the Commission's Ad Hoc Committee members Jacob, Vanderlaan, Sprague, and MacKenzie for their leadership in helping moving this project forward as well as recognizing the contributions of former LAFCO staff members Mike Ott and Joe Serrano. Both also confirmed their counsels had reviewed the revised resolution and were agreeable to the changes presented.

Chair MacKenzie invited anyone else in the audience to address the Commission on this matter.

## **PUBLIC HEARING ITEMS CONTINUED...**

County Fire Chief Tony Mecham approached the dais and stated the County supports the reorganization.

Seeing no others approach the dais, Chair MacKenzie closed the public hearing and asked if there was any discussion from the Commission.

Commissioner Jacob commented the item has come a long way and she is pleased to see Lakeside and San Miguel Consolidated Fire Protection Districts now collaborating and coming to an agreement in assuming fire protection and emergency medical services for the affected territory. Commissioner Jacob added her appreciation to LAFCO staff for the report and stated it is important for LAFCO to continue to do its job and revisit service conditions within the affected territory as part of the next scheduled municipal service review of the agencies in Fiscal Year 2023. Commissioner Jacob added Measure “A” is on the ballot this November to lock in the Fire Authority in the County Charter and is another step in demonstrating the County’s commitment in providing fire protection to the unincorporated areas

Commissioner Jacob concluded her comments by making a motion to approve the revised resolution and the staff recommendation for Alternative One. Commissioner Vanderlaan second.

Seeing no others approach the dais or further discussion from the Commission, Chair MacKenzie closed the public hearing and asked for a roll call of vote for the motion.

The Commission Secretary recorded the following votes:

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

The Secretary confirmed the motion was approved 8-0.

Commissioner Vanderlaan asked the Chair for indulgence to make a few final comments with the item now completed. Commissioner Vanderlaan extended his appreciation to Commissioners Jacob and Horn and the rest of the County Board of Supervisors for their leadership in improving fire protection in the unincorporated areas. Commissioner Vanderlaan added his appreciation to County Fire Authority Director Herman Reddick and his team for implementing the Board of Supervisor’s vision as well as the contributions of LAFCO’s own John Traylor.

## **PUBLIC HEARING ITEMS CONTINUED...**

### **Item 11**

#### **Proposed “North Avenue Estates Reorganization” | Annexation to City of Escondido and Concurrent Detachments from County Service Area No. 135 (regional communications) and the Deer Springs Fire Protection District | RO18-06 et al.**

Chief Policy Analyst Robert Barry summarized the reorganization proposal filed by the City of Escondido to annex approximately 17.9 acres of unincorporated territory with concurrent detachments from Deer Springs Fire Protection District and County Service Area No. 135 (regional communications). Mr. Barry stated the primary purpose of the reorganization is to facilitate a planned 34-lot residential subdivision known as North Avenue Estates. Mr. Barry noted an earlier version of the proposal had been conditionally approved by the Commission in August 2008, but subsequently terminated before recordation as a result of Escondido objecting to a special approval term to address potential development impacts on adjacent septic systems along Laurashawn Lane. Mr. Barry added changes to the current development plan include sufficient revisions to remedy the earlier concerns and staff is recommending approval of the reorganization without modifications or special terms. Mr. Barry detailed Deer Springs Fire Protection District opposes the reorganization with representatives in attendance to speak to their concerns. Mr. Barry also detailed several adjacent landowners on Laurashawn Lane have submitted written objections given continued concerns about grading impacts on their septic systems.

Commissioner Sprague asked about the grading approval plans along the portion of Laurashawn Lane. Mr. Barry noted the project is 40 feet away from the property lines.

City of Escondido Planning Director Bill Martin approached the dais at Chair MacKenzie’s request and added no grading will occur along the open space area created as a buffer between the planned development and the property lines along Laurashawn Lane. Chair MacKenzie asked who is responsible of the maintenance in the open space area. Mr. Martin noted it is the responsibility of the homeowners’ association per the City’s own approval

Chair MacKenzie opened the public hearing and noted ten speaker slips were received from the members of the audience.

The following speaker representing an organization or group addressed the Commission:

- Robert E. Osby, President, Deer Springs Fire Protection District; opposes the reorganization

## **PUBLIC HEARINT ITEMS CONTINUED...**

The following individual speakers addressed the Commission:

- Casey Johnson, developer and real party of interest; supports the reorganization
- David Ferguson, developer and real party of interest; supports the reorganization
- Rodney Jones, Homeowner; supports the reorganization but concerned about impacts to septic systems along Laurashawn Lane
- Robert Scolomayer; supports the reorganization

Having no more speaker slips, Chair MacKenzie noted for the record LAFCO received five speaker slips of individuals in the audience that did not wish to speak but did want to register their positions in favor of the reorganization.

Seeing no others approach the dais Chair MacKenzie closed the public hearing.

Chair MacKenzie invited comments from the Commission.

Commissioner Jacob noted that it has been ten years and property owner Mr. Jones raised some issues about the septic systems and what will occur with the development and these issues were addressed to the Commission. Commissioner Jacob asked if it's within LAFCOs authority to provide protection to the homeowners along Laurashawn Avenue if issues occur with the septic systems or if the developer could assist with fees to be drawn upon to extend the sewer line. Commission Counsel noted the options are within the City's planning land use and development for an agreement and LAFCO has no direct authority.

Commissioner Horn reminded the Commission was only approving the reorganization and not the project itself; Escondido is responsible for addressing the details of the development and grading-related issues. Commissioner Horn added he understands that Deer Springs Fire Protection District will be losing money with the detachment, but he is more concerned about public safety and concurs with the staff report that Escondido is best positioned to serve the affected territory going forward. Commissioner Horn stated he supports the staff recommendation to approve the reorganization as presented and encouraged the adjacent landowners on Laurashawn to work with the City of Escondido on a long-term solution to establish wastewater services for their homes.

Commissioner Horn made a motion to approve the staff recommendation to approve the reorganization. Commissioner Vanderlaan second.

Commissioner Vanderlaan thanked Mr. Obsy for his comments and noted the financial hardship faced by Deer Springs Fire Protection District as a result of the reorganization is unfortunate, but is unavoidable given the local conditions noted in the report.

## **PUBLIC HEARING ITEMS CONTINUED...**

Commissioner Sprague noted he supports staff recommendation and asked if the residents along Laurashawn Lane have failing septic systems can LAFCO administratively assist the residents. Mr. Barry noted LAFCO have a process for landowners for failing septic system issues which LAFCO can administratively approve or provide a contractual service agreement.

Seeing no other comments from the Commission, Chair MacKenzie called for a vote.

The Commission Secretary recorded the following votes:

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

The Secretary confirmed the motion was approved 8-0.

## **BUSINESS ITEMS**

### **Item 12**

#### **Designation of Labor Negotiators**

Item presented on the business calendar for action. Commission Counsel summarized the item as procedural and need for the Commission to designate representatives for purposes of negotiating the salary and benefits for the Executive Officer should the Commission proceed into closed session. Commission Counsel recommended Chair MacKenzie and Commissioner Vanderlaan be designated as the labor negotiators given they have overseen the performance review of the Executive Officer to date.

Commissioner Jacob motion to approve the recommendation as presented by Commission Counsel. Commissioner Sprague second.

Chair MacKenzie asked for a roll call of vote for the motion on Item 12.

The Commission Secretary recorded the following votes:

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

The Secretary confirmed the motion was approved 8-0.

## **BUSINESS ITEMS CONTINUED...**

### **Item 13**

#### **Executive Officer Compensation**

Item presented on the business calendar for action. Commission Counsel advised the Commission they could immediately take up the item or return to it after closed session

Commissioner Sprague suggested the Commission proceed with the item and stated he was prepared to make a motion. Commissioner Jacob agreed.

Commission Sprague motioned for the Commission to approve the Executive Officer's request for a 5% increase in salary retroactive to August 6, 2018. Commissioner Vanderlaan second.

Chair MacKenzie noted the Executive Officer was also seeking an adjustment to this vacation accrual to be consistent with the benefit package provided to County management.

Commissioner Sprague amended his motion to include both the 5% salary increase and vacation accrual adjustment consistent with County management retroactive to August 6<sup>th</sup>. Commissioner Vanderlaan agreed and seconded the amended motion.

Commissioner Blakespear requested discussion. Commissioner Blakespear noted she supports the adjustments to the Executive Officer's compensation, but wanted to convey the need for the Executive Officer to be mindful of operational costs going forward.

Commissioner Jacob commended the Executive Officer for his services and accomplishments over the last year in helping raise LAFCO to the next level, and supports the compensation adjustments. Other Commissioners followed with similar comments.

Chair MacKenzie asked for a roll call of vote for the motion on Item 13.

The Commission Secretary recorded the following votes:

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

The Secretary confirmed the motion was approved 8-0.

Commission Counsel Whatley noted that a formal contractual amendment will be presented on the consent calendar at the next meeting memorializing the approved changes.

## **CLOSED SESSION**

Chair MacKenzie adjourned the regular meeting to closed session at 10:40 a.m. to discuss items 14 and 15 as specified in the agenda with the other two – 16 and 17 – no longer needed.

### **Item 14**

#### **Conference with Legal Counsel – Existing Litigation:**

Pursuant to Government Code Section 54956.9(d)(1): Southcott et al. v. Julian-Cuyamaca Fire Protection District, et al., San Diego Superior Court Case No. 37-2018-0023393-CU-WM-CTL; Fourth District Court of Appeal Case No. D074324.

### **Item 15**

#### **Conference with Legal Counsel – Anticipated Litigation:**

Pursuant to Government Code Section 54956.9(d)(2): Significant expose to litigation involving one case.

### **Item 16**

#### **Public Employee Performance Evaluation**

Pursuant to California Government Code Section 54957(b)  
Employee: Keene Simonds, Executive Officer

### **Item 17**

#### **Conference with Labor Negotiators**

Pursuant to California Government Code Section 54957.6  
Agency designated representatives: Jo MacKenzie and Andrew Vanderlaan  
Unrepresented Employee: Executive Officer

The Commission reconvened into open session at 10:45 a.m. with Commission Counsel reporting no actions were taken on items 14 and 15. (Items 16 and 17 were dropped. Also Commissioner Zapf was excused and did not participate in the closed session items.)

## **EXECUTIVE OFFICER REPORT**

The Executive Officer made the following comments:

- LAFCO will be holding protest proceedings for the approved reorganization of the Julian-Cuyamaca Fire Protection District on Tuesday, October 16, 2018 at 10:00 a.m. at the County Operations Center.
- Several members of LAFCO will be attending the CALAFCO Annual Conference in Yosemite scheduled for October 3-5<sup>th</sup> and will report back at the next meeting.



### **COMMISSIONER ANNOUNCEMENTS | REQUEST FOR FUTURE ITEMS**

No announcements or requests for future items were made from the Commissioners.

### **ADJOURNMENT TO NEXT REGULAR MEETING**

There being no further business to come before the Commission, the meeting was adjourned by Chair MacKenzie at 10:58 a.m. until December 3, 2018 upon approval by the Commission.

**Attested**  
**TAMARON LUCKETT**  
**EXECUTIVE ASSISTANT**

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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

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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

# 2

## AGENDA REPORT

Consent | Action

December 3, 2018

**TO:** San Diego Commissioners  
**FROM:** Keene Simonds, Executive Officer  
Erica Blom, Administrative Assistant  
**SUBJECT:** **Commission Ratification |  
Recorded Payments for September and October 2018**

## SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will review a report identifying all payments received and made for the months of September and October 2018. These payments cover all recorded transactions for the two-month period and include \$302,012 in total distributions made by the Executive Officer with 70% tied to reimbursements to the County of San Diego for payroll, rent, overhead, and information technology services. The payments are being presented to the Commission for ratification and provide related direction to staff proceeding forward.

## BACKGROUND

### [Adopted Policies | Accounting Procedures](#)

San Diego LAFCO's policies provide broad direction to the Executive Officer to establish and maintain appropriate accounting controls for all financial transactions on behalf of the Commission. These policies specify the Executive Officer shall ensure accounting controls conform to standard procedures commonly enlisted by local governmental agencies and continually evaluate and enact changes as needed. Purchasing allowances are specified and include bid procedures for transactions at or above \$10,000 and separate Commission approval for transactions at or above \$125,000.

## DISCUSSION

This item is for San Diego LAFCO to consider ratification of all made and received payments recorded by the Executive Officer between September 1<sup>st</sup> and October 31<sup>st</sup>. A detailing of these transactions is provided in Attachments One (September) and Two (October). Should the Commission have any questions or request additional documentation it would be appropriate to either continue the item or provide clarifying direction to staff going forward.

## ANALYSIS

The recorded payments made by the Executive Officer for the months of September and October 2018 total \$302,012 with 70% – or \$208,963 – tied to expenditures with the County of San Diego. This includes covering payroll obligations, office rent, overhead, and information technology services. Professional services represent nearly all of the remaining expenditures during the two-month period and tallied \$83,444 and includes onsite staff support as well as legal. Recorded revenues for the period totaled \$112,715 and predominately tied to collecting remaining agency contributions for 2018-2019.

## RECOMMENDATION

It is recommended San Diego LAFCO proceed with ratifying the payments received and made by the Executive Officer for the months of September and October 2018. This action is provided as Alternative Action One in the proceeding section.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Ratify the recorded payments received and made by the Executive Officer between September 1<sup>st</sup> and October 31<sup>st</sup> as shown in Attachments One and Two.

Alternative Two:

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

Alternative Three

Take no action.<sup>1</sup>

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<sup>1</sup> Payment ratifications are not required under LAFCO policy, but are presented to the Commission as part of a best practice to inform the public of the agency's transactions.

**San Diego LAFCO**

December 3, 2018 Regular Meeting

Agenda Item No. 2 | Payment Ratification for September and October 2018

**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 unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachments:

- 1) Recorded Payments | September 2018
- 2) Recorded Payments | October 2018

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**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
September 2018

**Agenda Item No. 2**  
**Attachment One**

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>E   Advantage Car Rental</b>						
	9/19/2018	52622 · Out of County Travel	53.59	Travel   JT Rental Car for Fire Meeting in El Dorado County	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Amazon</b>						
	9/2/2018	52330 · Office Expense	14.00	Amazon Prime Monthly Payment	debit card	3558 · SDCCU Checking
	9/2/2018	52330 · Office Expense	79.64	Office Supplies	debit card	3558 · SDCCU Checking
			93.64			
<b>E   Ambius</b>						
	9/27/2018	52330 · Office Expense	97.94	Monthly Office Plants Service (August)	check	3558 · SDCCU Checking
	9/27/2018	52330 · Office Expense	97.94	Monthly Office Plants Service (September)	check	3558 · SDCCU Checking
			195.88			
<b>E   ARCC</b>						
	9/17/2018	52490 · Publications/Legal	50.00	NOE Fee for Julian-Cuyamaca FPD (R018-09)	check	3558 · SDCCU Checking
	9/17/2018	52490 · Publications/Legal	50.00	NOE Fee for Julian-Cuyamaca FPD (R018-09)   Sphere Amendments	check	3558 · SDCCU Checking
			100.00			
<b>E   AT&amp;T Mobility</b>						
	9/27/2018	52074 · Telecommunications	233.39	Monthly Cell Phone   KS, RB & LZ	check	3558 · SDCCU Checking
<b>E   Billing Hostway</b>						
	9/5/2018	52370.E · Professional Services   Web & Doc Support	21.95	Monthly Website Support	check	1026 · Wells Fargo Checking - 2579
<b>E   Chase Design Inc.</b>						
	9/17/2018	52370.E · Professional Services   Web & Doc Support	1,000.00	Logo Design Services	electronic	1000 · County Account (44595)
<b>E   Claim Jumper</b>						
	9/7/2018	52330 · Office Expense	84.74	Debriefing   KS, Chair, Vice Chair & Counsel	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Colantuono, Highsmith &amp; Whatley</b>						
	9/26/2018	52370.B · Professional Services	18,588.50	Legal Services	electronic	1000 · County Account (44595)
<b>E   County of San Diego</b>						
	9/1/2018	52530 · Office Lease	6,656.64	Office Rent	electronic	1000 · County Account (44595)
	9/1/2018	52354 · Mail/Postage ISF	3,033.47	Mail/Postage Services	electronic	1000 · County Account (44595)
	9/1/2018	52178 · Vehicle Maintenance	27.99	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	9/1/2018	52182 · Vehicle Fuel	0.00	Vehicle Fuel	electronic	1000 · County Account (44595)
	9/1/2018	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	9/1/2018	52721 et al. · Communications (IT) Services	10,276.78	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	9/1/2018	52550.B · County Overhead Costs	12,118.00	County Services   A-87 1st Quarter	electronic	1000 · County Account (44595)
	9/7/2018	51110 et al. · Employee Payroll	36,281.80	Payroll   Pay Period 2019-05	electronic	1000 · County Account (44595)
	9/21/2018	51110 et al. · Employee Payroll	36,664.43	Payroll   Pay Period 2019-06	electronic	1000 · County Account (44595)
	9/5/2018	52504 · Equipment Rental	4.50	County Surcharge   Xerox	electronic	1000 · County Account (44595)
	9/28/2018	52344 · Stores Unallocated	954.72	Office Supplies   Office Depot Order	electronic	1000 · County Account (44595)
	9/28/2018	52550 · Special Department	5,400.00	SANGIS License FY18-19	electronic	1000 · County Account (44595)
	9/28/2018	52370 · Professional Services	4,600.00	ESRI License FY18-19	electronic	1000 · County Account (44595)
	9/28/2018	52370.B · Professional Services   Special Counsel Services	24.50	County Counsel Services	electronic	1000 · County Account (44595)
			116,208.32			
<b>E   Culligan of San Diego</b>						
	9/28/2018	52330 · Office Expense	39.75	Monthly Water Service	check	3558 · SDCCU Checking
<b>E   Dieu Ngu</b>						
	9/10/2018	52370.D · Professional Services   GIS Support	5,680.00	GIS Consultant Services	electronic	1000 · County Account (44595)
	9/17/2018	52370.D · Professional Services   GIS Support	5,680.00	GIS Consultant Services	electronic	1000 · County Account (44595)
			11,360.00			
<b>E   Dropbox</b>						
	9/9/2018	52330 · Office Expense	45.00	Monthly Cloud Service	debit card	3558 · SDCCU Checking
<b>E   Earl John Traylor</b>						
	9/14/2018	52370.F · Professional Services   Local Govt Services	4,465.00	Consultant Services (Fire)	electronic	1000 · County Account (44595)
	9/24/2018	52610 · Non-Travel/In-County	106.28	Mileage Reimbursement	check	3558 · SDCCU Checking
			4,571.28			
<b>E   GIS Surveyors Inc.</b>						
	9/10/2018	52370.D · Professional Services   GIS Support	5,760.00	Consultant Services (GIS)   Dieu Ngu	electronic	1000 · County Account (44595)
<b>E   Harry Ehrlich</b>						
	9/10/2018	52370.G · Professional Services   Legislation	1,100.00	Consultant Services   Legislation Support	electronic	1000 · County Account (44595)
<b>E   Julian Times News</b>						

**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
September 2018

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
	9/4/2018	52490 · Publications/Legal	135.00	PHN for Julian-Cuyamaca FPD (RO18-09)	check	1026 · Wells Fargo Checking - 2579
<b>E   Kahn's Cave Grill &amp; Tavern</b>						
	9/7/2018	52562 · Investigative	36.44	KS and RM Lunch   Analyst Recruitment	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Leaf &amp; Cole LLP</b>						
	9/10/2018	52370.H · Professional Services   Accounting	5,420.00	Consultant Services   Accounting Services	electronic	1000 · County Account (44595)
	9/26/2018	52370.H · Professional Services   Accounting	7,060.00	Consultant Services   Accounting Services	electronic	1000 · County Account (44595)
			12,480.00			
<b>E   Linda Zambito</b>						
	9/17/2018	52330 · Office Expense	20.36	Travel Reimbursement   Julian	check	3558 · SDCCU Checking
<b>E   Los Angeles Times</b>						
	9/4/2018	52330 · Office Expense	108.28	Office Newspaper Subscription	check	1026 · Wells Fargo Checking - 2579
<b>E   Peterson Donut</b>						
	9/10/2018	52330 · Office Expense	2.00	ATM Fee for Peterson Donut	debit card	3558 · SDCCU Checking
	9/10/2018	52330 · Office Expense	31.75	Refreshments for Commission Meeting at CAC	debit card	3558 · SDCCU Checking
			33.75			
<b>E   Planetizen</b>						
	9/5/2018	52562 · Investigative	99.95	Advertisement for Analyst Recruitment	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Renato Rodriguez</b>						
	9/26/2018	52330 · Office Expense	80.00	Refreshments for Commission Meeting at CAC	check	3558 · SDCCU Checking
<b>E   San Diego Union Tribune</b>						
	9/25/2018	52490 · Publications/Legal	1,219.80	(2) PHNs (Pankey OAS18-04; JCFPD RO18-09)	check	3558 · SDCCU Checking
<b>E   Southwest Airlines</b>						
	9/17/2018	52622 · Out of County Travel	216.96	Airfare   Flight for Fire Meeting in El Dorado County (JT)	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Tenaya Lodge Hotel</b>						
	9/18/2018	52622 · Out of County Travel	194.25	Accommodations (Deposit)   Oct. 2108 CALAFCO Annual Conference (KS)	credit card	3558-60 · SDCCU Visa Credit Card
	9/18/2018	52622 · Out of County Travel	194.25	Accommodations (Deposit)   Oct. 2108 CALAFCO Annual Conference (JH)	credit card	3558-60 · SDCCU Visa Credit Card
	9/18/2018	52622 · Out of County Travel	194.25	Accommodations (Deposit)   Oct. 2108 CALAFCO Annual Conference (DB)	credit card	3558-60 · SDCCU Visa Credit Card
			582.75			
<b>E   Unlimited Conferencing</b>						
	9/16/2018	52330 · Office Expense	16.98	Conference Calling Services for CALAFCO Session	debit card	3558 · SDCCU Checking
<b>E   Xerox</b>						
	9/7/2018	52504 · Equipment Rental	591.53	Xerox Rental	electronic	1000 · County Account (44595)
		<b>EXPENSE TOTAL</b>	175,077.84			
<b>R   Cash</b>						
	9/6/2018	49900 · Miscellaneous Revenue	2.20	Cash back from ATM ay Petersons Donuts	cash	3558 · SDCCU Checking
<b>R   City of Carlsbad</b>						
	9/6/2018	49900 · Miscellaneous Revenue	30.00	LAFCO Procedures Guide	check	3558 · SDCCU Checking
<b>R   County of San Diego</b>						
	9/28/2018	49200 · Interest & Dividends	2,689.98	Interest Payment to Accountant 46725	electronic	1001 · General Fund (46725)
	9/28/2018	49200 · Interest & Dividends	573.26	Interest Payment to Accountant 46726	electronic	1002 · Special Projects Fund (46726)
	9/28/2018	49200 · Interest & Dividends	479.81	Interest Payment to Accountant 46727	electronic	1003 · Jurisdictional Projects Fund (46727)
	9/28/2018	45918 · LAFCO Apportionment	40,599.94	LAFCO Apportionment Collections	electronic	1000 · County Account (44595)
			44,342.99			
<b>R   Vallecitos WD</b>						
	9/24/2018	46234 · Service to Property Owner	4,050.00	LAFCO Processing Fees (DA18-15)	check	3558 · SDCCU Checking
<b>R   Valley Center MWD</b>						
	9/6/2018	49900 · Miscellaneous Revenue	550.00	Recording & PHN Fees (OAS18-04)	check	3558 · SDCCU Checking
		<b>REVENUE TOTAL</b>	48,975.19			



**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
 October 2018

**Agenda Item No. 2**  
**Attachment Two**

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>E   Abdullah Popal</b>						
	10/5/2018	52610 · Non-Travel/In-County	50.02	Transportation   Cab ride from airport after CALAFCO Conference	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Alamo Car Rental</b>						
	10/5/2018	52622 · Out of County Travel	321.00	Transportation   Rental Car for CALAFCO Annual Conference	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Amazon</b>						
	10/1/2018	52330 · Office Expense	14.00	Amazon Prime Monthly Payment	debit card	3558 · SDCCU Checking
	10/15/2018	52566 · Minor Equipment	1,779.98	Office Equipment   Ergonomic Enhancements	credit card	3558-60 · SDCCU Visa Credit Card
			1,793.98			
<b>E   ARCC</b>						
	10/12/2018	52490 · Publications/Legal	50.00	NOE Fee for CSA No. 115 (RO14-12; RO14-13)	check	3558 · SDCCU Checking
	10/12/2018	52490 · Publications/Legal	50.00	NOE Fee   Austin Dr. (DA18-12)	check	3558 · SDCCU Checking
	10/12/2018	52490 · Publications/Legal	50.00	NOE Fee   Pankey (OAS18-04)	check	3558 · SDCCU Checking
	10/16/2018	52490 · Publications/Legal	50.00	NOD Fee   Camino Largo (RO18-08)	check	3558 · SDCCU Checking
	10/16/2018	52490 · Publications/Legal	50.00	NOD Fee   North Avenue Estates (RO18-06)	check	3558 · SDCCU Checking
			250.00			
<b>E   AT&amp;T Mobility</b>						
	10/10/2018	52074 · Telecommunications	233.13	Monthly Cell Phone Bill   KS, RB & LZ	check	3558 · SDCCU Checking
<b>E   Best Western</b>						
	10/4/2018	52622 · Out of County Travel	420.15	Accommodations   Oct. 2108 CALAFCO Annual Conference (KS; RB & LZ)	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Billing Hostway</b>						
	10/15/2018	52370.E · Professional Services   Web & Doc Support	21.95	Monthly Website Support	check	3558 · SDCCU Checking
<b>E   Chili's</b>						
	10/3/2018	52622 · Out of County Travel	105.57	CALAFCO Annual Conference (Staff Lunch 10/2/18)	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Claim Jumper</b>						
	10/1/2018	52330 · Office Expense	74.11	Debriefing   KS, Chair, Vice Chair & Counsel	credit card	3558-60 · SDCCU Visa Credit Card
	10/11/2018	52330 · Office Expense	64.93	Debriefing   KS and RM (Analyst Recruitment)	credit card	3558-60 · SDCCU Visa Credit Card
			139.04			
<b>E   Costco</b>						
	10/23/2018	52610 · Non-Travel/In-County	63.48	Staff Lunch   1st Quarter Review	debit card	3558 · SDCCU Checking
<b>E   County of San Diego</b>						
	10/1/2018	52530 · Office Lease	6,656.64	Rent	electronic	1000 · County Account (44595)
	10/1/2018	52354 · Mail/Postage ISF	4,015.49	Mail/Postage Services	electronic	1000 · County Account (44595)
	10/1/2018	52178 · Vehicle Maintenance	27.99	Vehicle Maintenance Services	electronic	1000 · County Account (44595)
	10/1/2018	52182 · Vehicle Fuel	31.62	Vehicle Fuel	electronic	1000 · County Account (44595)
	10/1/2018	52758 · Vehicle Lease	165.49	Vehicle Lease	electronic	1000 · County Account (44595)
	10/1/2018	52721 et al. · Communications (IT) Services	9,361.39	County IT Services (ITRACK)	electronic	1000 · County Account (44595)
	10/5/2018	51110 et al. · Employee Payroll	35,108.82	Payroll   Pay Period 2019-07	electronic	1000 · County Account (44595)
	10/19/2018	51110 et al. · Employee Payroll	36,023.07	Payroll   Pay Period 2019-08	electronic	1000 · County Account (44595)
	10/1/2018	52504 · Equipment Rental	3.37	County Surcharge   Xerox	electronic	1000 · County Account (44595)
	10/1/2018	52344 · Stores Unallocated	15.38	County Surcharge   Office Depot Order	electronic	1000 · County Account (44595)
	10/3/2018	52344 · Stores Unallocated	885.06	Office Supplies   Office Depot Order	electronic	1000 · County Account (44595)
	10/3/2018	52344 · Stores Unallocated	14.25	County Surcharge   Office Depot Order	electronic	1000 · County Account (44595)
	10/31/2018	52344 · Stores Unallocated	445.85	Office Supplies   Office Depot Order	electronic	1000 · County Account (44595)
			92,754.42			
<b>E   Culinary (COC Cafeteria)</b>						
	10/15/2018	52330 · Office Expense	153.54	SDAC Refreshments (From FY17-18; 6/15/18)	check	1026 · Wells Fargo Checking - 2579
	10/17/2018	52610 · Non-Travel/In-County	6.14	KS and LZ Breakfast Meeting	debit card	3558 · SDCCU Checking
			159.68			
<b>E   Culligan of San Diego</b>						
	10/12/2018	52330 · Office Expense	39.75	Monthly Water Service	check	3558 · SDCCU Checking
<b>E   Dieu Ngu</b>						
	10/3/2018	52370.D · Professional Services   GIS Support	5,112.00	GIS Consultant Services	electronic	1000 · County Account (44595)
	10/12/2018	52370.D · Professional Services   GIS Support	5,680.00	GIS Consultant Services	electronic	1000 · County Account (44595)
	10/26/2018	52370.D · Professional Services   GIS Support	5,680.00	GIS Consultant Services	electronic	1000 · County Account (44595)
			16,472.00			
<b>E   Dropbox</b>						
	10/9/2018	52370.E · Professional Services   Web & Doc Support	45.00	Monthly Cloud Service	debit card	3558 · SDCCU Checking

**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
 October 2018

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>E   Earl John Traylor</b>						
	10/1/2018	52610 · Non-Travel/In-County	140.33	Mileage Reimbursement	check	3558 · SDCCU Checking
	10/1/2018	52610 · Non-Travel/In-County	74.67	Business Reimbursement	check	3558 · SDCCU Checking
	10/12/2018	52370.F · Professional Services  Local Govt Services	7,505.00	Consultant Services (Fire)	electronic	1000 · County Account (44595)
			<u>7,720.00</u>			
<b>E   Gourmet Island</b>						
	10/9/2018	52610 · Non-Travel/In-County	17.74	KS & RM Lunch (Analyst Recruitment)	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   HP</b>						
	10/12/2018	52566 · Minor Equipment	912.98	KS Computer Monitor	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   J Muirs Tavern</b>						
	10/5/2018	52622 · Out of County Travel	84.78	Staff Lunch Leaving CALAFCO Conference	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Jersey Mikes</b>						
	10/19/2018	52610 · Non-Travel/In-County	27.35	Lunch Meeting with Fire Authority (Future Proposals)	debit card	3558 · SDCCU Checking
<b>E   Lakeside FPD</b>						
	10/26/2018	52622 · Out of County Travel	500.00	CALAFCO Annual Conference (Speaker Per Diem)	check	3558 · SDCCU Checking
<b>E   Mom's Pie House</b>						
	10/12/2018	52610 · Non-Travel/In-County	28.77	KS and LZ Meeting with Wynola WD	debit card	3558 · SDCCU Checking
<b>E   Narrow Gauge Inn</b>						
	10/12/2018	52622 · Out of County Travel	50.00	CALAFCO Annual Conference (Cancellation Fee for Two Rooms)	debit card	3558 · SDCCU Checking
<b>E   North County FPD</b>						
	10/1/2018	52622 · Out of County Travel	500.00	CALAFCO Annual Conference (Speaker Per Diem for Travel/Stay)	check	3558 · SDCCU Checking
<b>E   Peterson Donut</b>						
	10/1/2018	52330 · Office Expense	2.00	ATM Fee for Peterson Donut	debit card	3558 · SDCCU Checking
	10/1/2018	52330 · Office Expense	31.75	Refreshments for Commission Meeting at CAC	debit card	3558 · SDCCU Checking
			<u>33.75</u>			
<b>E   Renato Rodriguez</b>						
	10/9/2018	52330 · Office Expense	120.00	Refreshments for Commission Meeting at CAC (August & October)	check	3558 · SDCCU Checking
<b>E   Rubio's</b>						
	10/31/2018	52610 · Non-Travel/In-County	56.40	Training with Vision for New Website; KS, LZ, and DN	debit card	3558 · SDCCU Checking
<b>E   Target</b>						
	10/23/2018	52610 · Non-Travel/In-County	26.13	Staff Lunch   1st Quarter Review	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Tenaya Lodge Hotel</b>						
	10/2/2018	52622 · Out of County Travel	313.92	CALAFCO Annual Conference (Staff Dinner 10/2/18)	credit card	3558-60 · SDCCU Visa Credit Card
	10/3/2018	52622 · Out of County Travel	664.71	CALAFCO Annual Conference (Staff Dinner 10/3/18)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	87.35	CALAFCO Annual Conference (Staff Lunch 10/5/18)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	225.75	Accommodations   Oct. 2108 CALAFCO Annual Conference (KS)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	438.75	Accommodations   Oct. 2108 CALAFCO Annual Conference (JH)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	438.75	Accommodations   Oct. 2108 CALAFCO Annual Conference (JM)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	438.75	Accommodations   Oct. 2108 CALAFCO Annual Conference (Don Butz)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	336.75	Accommodations   Oct. 2108 CALAFCO Annual Conference (EB & LZ)	credit card	3558-60 · SDCCU Visa Credit Card
	10/5/2018	52622 · Out of County Travel	443.58	Accommodations   Oct. 2108 CALAFCO Annual Conference (RB)	debit card	3558 · SDCCU Checking
			<u>3,388.31</u>			
<b>E   The Godfather Restaurant</b>						
	10/17/2018	52330 · Office Expense	63.19	Protest Hearing Debriefing   KS and HW	debit card	3558 · SDCCU Checking
<b>E   The Prado At Balboa Park</b>						
	10/26/2018	52330 · Office Expense	50.25	KS Meeting with Former LAFCO EO (JM)	debit card	3558 · SDCCU Checking
<b>E   Unlimited Conferencing</b>						
	10/15/2018	52074 · Telecommunications	16.98	Conference Calling Services for CALAFCO Session	debit card	3558 · SDCCU Checking
<b>E   Vons</b>						
	10/23/2018	52610 · Non-Travel/In-County	24.99	Birthday Cake; LZ, RB, and EB	credit card	3558-60 · SDCCU Visa Credit Card
<b>E   Xerox</b>						
	10/10/2018	52504 · Equipment Rental	443.43	Xerox Rental	electronic	1000 · County Account (44595)
<b>EXPENSE TOTAL</b>			126,934.22			

**SAN DIEGO LAFCO**  
**Expenses by Vendor Detail**  
 October 2018

Payable   Receivable Party	Date	Account	Amount	Purpose	Type	Funding Account
<b>R   John Moth</b>						
	10/8/2018	49900 · Miscellaneous Revenue	50.00	Recording Fee (DA18-12)	check	3558 · SDCCU Checking
<b>R   County of San Diego</b>						
	10/31/2018	49200 · Interest & Dividends	871.95	Interest Payment to Accountant 46725	electronic	1001 · General Fund (46725)
	10/31/2018	49200 · Interest & Dividends	185.82	Interest Payment to Accountant 46726	electronic	1002 · Special Projects Fund (46726)
	10/31/2018	49200 · Interest & Dividends	155.53	Interest Payment to Accountant 46727	electronic	1003 · Jurisdictional Projects Fund (46727)
	10/31/2018	45918 · LAFCO Apportionment	<u>55,137.59</u>	LAFCO Apportionment Collections	electronic	1000 · County Account (44595)
			56,350.89			
<b>R   Rincon del Diablo MWD</b>						
	10/12/2018	49900 · Miscellaneous Revenue	<u>2,074.00</u>	Recording & PHN Fees (RO17-10)	check	3558 · SDCCU Checking
<b>R   Western Pavers Inc.</b>						
	10/19/2018	49900 · Miscellaneous Revenue	605.80	Recording & PHN Fees (SA/LPE18-01)	check	3558 · SDCCU Checking
	10/19/2018	46234 · Service to Property Owner	<u>4,660.00</u>	LAFCO Proposal Fees (SA/LPE18-01)	check	3558 · SDCCU Checking
			5,265.80			
		<b>REVENUE TOTAL</b>	63,740.69			

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## Chair

Jo MacKenzie, Director  
Vista Irrigation District

## Vice Chair

Ed Sprague, Director  
Olivenhain Municipal Water

## Members

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City of Encinitas

Bill Horn, Supervisor  
County of San Diego

Dianne Jacob, Supervisor  
County of San Diego

Andrew Vanderlaan  
Public Member

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Chris Cate, Councilmember  
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County of San Diego

Judy Hanson, Director  
Leucadia Wastewater District

Harry Mathis  
Public Member

## Executive Officer

Keene Simonds

## Counsel

Michael G. Colantuono

# 3

## AGENDA REPORT Consent | Action

December 3, 2018

**TO:** San Diego Commissioners  
**FROM:** Keene Simonds, Executive Officer  
Erica Blom, Administrative Assistant  
**SUBJECT:** **Budget Update for 2018-2019 |  
1<sup>st</sup> Quarter Expenses-to-Actuals and Year End Projections**

---

## SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions for 2018-2019 through the first quarter. The report projects the Commission is on pace to finish with a modest operating surplus of \$14,665 or 1%. Savings in salaries and benefits underlie the projected surplus and – pertinently – are helping to absorb the fee waiver and associated costs in processing the reorganization proposal involving the Julian-Cuyamaca Fire Protection District. The report is being presented to the Commission to accept and file as well as provide direction as needed.

## BACKGROUND

### [San Diego LAFCO | Prescribed Funding](#)

State law mandates operating costs for LAFCOs shall be annually funded among their represented membership categories. San Diego LAFCO's operating costs, accordingly, are divided among four distinct membership categories with the largest apportionment assigned to the County of San Diego at 28.6%. The independent special districts and cities less the City of San Diego are also apportioned funding percentages of 28.6% with individual amounts divided thereafter based on total revenue shares in a given fiscal year. The City of San Diego – and based on special legislation providing the City a dedicated seat on LAFCO – is responsible for the remaining 14.3% of annual operating costs.

## 2018-2019 Adopted Budget

San Diego LAFCO’s adopted final budget for 2018-2019 totals \$1.906 million. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: salaries and benefits; service and supplies; and other. A matching revenue total was also budgeted to provide a projected year-end net of \$0 and with the purposeful aid of a planned \$0.110 million transfer from reserves. Budgeted revenues are divided between four active units: intergovernmental contributions; service charges; earnings; and miscellaneous. The Commission’s total fund balance as of July 1, 2018 was \$1.619 million.<sup>1</sup>

Budgeted FY19 Expenses	Budgeted FY19 Revenues	Budgeted FY19 Year End Balance	Beginning FY19 Fund Balance
\$1.906	\$1.906	\$0	\$1.619

amounts in millions

## Accounting Practices

San Diego LAFCO practices bottom-line accounting in booking expenses during the fiscal year. The substantive result of this practice means individual line-item accounts may exceed their budgeted total without the need for correcting amendments so long as the overall balance in the affected units (i.e., salaries and benefits, services and supplies, etc.) remain positive. Should a unit’s balance exceed its budgeted allocation, however, a correcting amendment is required by the Commission before the end of the fiscal year.

## DISCUSSION

This item is for San Diego LAFCO to receive an update comparison of (a) budget to (b) actual expenses and revenues through the first quarter (September 30<sup>th</sup>). The report provides the Commission the opportunity to track expenditure trends and consider year-end operating projections from the Executive Officer. The report is being presented to the Commission to formally accept and file as well as provide related direction as needed.

## Summary of Operating Expenses

San Diego LAFCO’s budgeted operating expense total for 2018-2019 is \$1.906 million. Actual expenses booked through the first three months totaled \$0.442 million. This booked amount represents 23% of the budgeted total with 25% of the fiscal year complete. A breakdown of budget to actual expenses by unit through September 30<sup>th</sup> follows.

<sup>1</sup> The fund balance total of \$1.619 million is pending audit review and includes \$300,000 in commitments. These commitments are divided between (a) \$125,000 for fire service reorganizations, (b) \$75,000 for litigation, (c) \$50,000 for CSA No. 115’s reorganization, and (d) \$50,000 for general fee waivers.

Expense Units	Adopted	Actuals Through 9/30	Percent Expended	Unexpended Balance
1) Salaries and Benefits	1,131,604	216,742	19	914,862
2) Services and Supplies	770,090	224,975	29	545,115
3) Other	5,000	0	0	5,000
<b>Total</b>	<b>1,906,694</b>	<b>441,717</b>	<b>23</b>	<b>1,467,977</b>

Actuals through the first quarter of the fiscal year and related analysis suggest San Diego LAFCO is on pace to finish with \$1.862 million in total expenses. Should this projection hold the Commission will achieve an unexpended budgeted savings in expenses of \$44,669 or 2%. An expanded discussion on budgeted and actuals through the first three months along with year-end projections within the three expense units follow.

#### Expense Unit | Salaries and Benefits

San Diego LAFCO budgeted \$1.131 million in salaries and benefits for 2018-2019 with the proceeds largely tied to funding 8.0 fulltime equivalent employees as well as existing retiree obligations.<sup>2</sup> Through the first quarter the Commission’s actual expenses within the affected line item accounts totaled \$0.217 million or 19% of the budgeted amount with 25% of the fiscal year complete. The proportional savings to date are tied to two budgeted positions (GIS Analyst and Analyst I) remaining vacant through the first three months. Going forward and through the end of the fiscal year it is expected overall actuals in the salaries and benefits unit will total \$1.067 million. This projection includes costs tied to filling the two referenced positions by the start of the third quarter as well as covering potential mid-year salary adjustments for non-management.<sup>3</sup> Should this projection hold the Commission will achieve an overall unit savings of \$64,175 or 6%.

#### Expense Unit | Services and Supplies

San Diego LAFCO budgeted \$0.770 million in services and supplies for 2018-2019 to provide funding for direct support services. The majority of the budgeted funds are dedicated to professional services to cover such items as planning and legal services as well as making reimbursements to the County for office rent, information technology, and general overhead. Through the first quarter the Commission’s actual expenses within the affected line item accounts totaled \$0.225 million or 29% of the budgeted amount with 25% of the fiscal year complete. Close to one-half of these booked expenses – \$103,229 – involve professional services with more than 25% of this amount directly tied to costs in processing the Julian-Cuyamaca Fire Protection District (FPD) reorganization.<sup>4</sup> Going forward and through the end of the fiscal year it is expected overall actuals in the services and supplies

<sup>2</sup> Commission per diem payments are also booked in the salaries account.

<sup>3</sup> Any mid-year salary adjustments for non-management would be informed by the pending completion of a class/compensation report by County Human Resources and under the direction of the Executive Officer.

<sup>4</sup> San Diego LAFCO incurred close to \$40,000 in direct professional service costs in processing the Julian-Cuyamaca FPD reorganization through September 30<sup>th</sup>. This amount does not include other direct costs involving notices, mailings, and related materials and booked to other accounts within the unit.

unit will total \$0.792 million with additional details footnoted.<sup>5</sup> Should this projection hold it would produce an overall deficit within the unit of (\$22,487) or (3%).

### Expense Unit | Other

San Diego LAFCO budgeted \$5,000 in two separate units to collectively address equipment depreciation and potential fixed asset purchases in 2018-2019. The Commission has not billed any charges through the first quarter. Going forward it is expected actuals will total \$2,019 and result in a year-end balance of \$2,981 or 60%.

## Summary of Operating Revenues

San Diego LAFCO’s budgeted operating revenue total for 2018-2019 is \$1.906 million. Actual revenues through the first quarter totaled \$1.622 million. This amount represents 85% of the budgeted total with 25% of the fiscal year complete. A breakdown of budget to actual revenues within each of the four affected units through September 30<sup>th</sup> follows.

Revenue Units	Adopted	Actuals Through 9/30	Percent Collected	Outstanding Balance
1) Intergovernmental	1,664,894	1,609,756	97	3
2) Service Charges	125,000	6,710	1	99
3) Earnings	6,800	5,449	80	20
4) Miscellaneous	110,000	0	0	100
<b>Total</b>	<b>1,906,694</b>	<b>1,621,915</b>	<b>85</b>	<b>15</b>

Actuals through the first quarter and related analysis suggest San Diego LAFCO’s year-end revenue totals will tally \$1.877 million and result in a moderate shortfall of (\$30,004) or (2%). The projected shortfall is entirely attributed to a sizeable reduction in service charges. An expanded discussion on budgeted and actual revenues in the four units through the first three months along with year-end projections follows.

### Revenue Unit | Intergovernmental Fees

San Diego LAFCO budgeted \$1.665 million in intergovernmental fees in 2018-2019. This total budgeted amount was subsequently divided between San Diego LAFCO’s four membership categories based on statutory formula. The County of San Diego, independent districts, and cities less San Diego all received apportionments equaling \$0.476 million. The remaining amount – \$0.238 million – was apportioned to the City of San Diego. Through the first quarter the Commission’s actual revenues collected in this unit totaled \$1.664 million and includes all agency contributions with the exception of Rainbow Municipal Water District and City of National City. These remaining contributions are expected to be collected shortly and will result in a zero year-end balance.

<sup>5</sup> As referenced, it is projected San Diego LAFCO will finish the fiscal year with \$0.792 million in expenses within the Services and Supplies unit. Of this amount, it is further projected \$0.140 million – or 18% – will be directly tied to processing the Julian-Cuyamaca FPD reorganization.



### **Revenue Unit | Service Charges**

San Diego LAFCO budgeted \$0.125 million in application fees in 2018-2019. Through the first quarter the Commission collected \$6,710 in application fees and represents less than 1% of the budgeted amount. Markedly, several proposal filings occurred at the end of the prior fiscal year that were otherwise expected during the first quarter of this fiscal year at the time the budget was adopted in April 2018. Accordingly, staff anticipates overall actuals in this unit will tally \$80,000 and result in a year-end shortfall of (\$45,000) or (36%).

### **Revenue Unit | Interest**

San Diego LAFCO budgeted \$6,800 in interest earnings in 2018-2019. Through the first quarter the Commission collected \$5,449 in interest earnings and represents 80% of the budgeted total. Staff anticipates the unit ultimately tallying \$21,796 and result in a year-end surplus of \$14,996 or 220%.

### **Revenue Unit | Miscellaneous**

San Diego LAFCO budgeted \$0.110 million in operating transfers from reserves in 2018-2019. This transfer was purposefully budgeted in conjunction with standing practice to use reserves to reduce increases in agency contributions. No transfers were made through the first quarter. A full transfer is expected prior to the fiscal year close.

## **ANALYSIS**

Activity through the first quarter of the fiscal year shows San Diego LAFCO is generally proceeding advantageously and without the need for any correcting amendments. Savings in salaries and benefits underlie the projected year-end surplus of \$14,665 and with other efficiencies is expected to absorb expected overruns in services and supplies. This includes – markedly and without necessitating a separate reserve transfer – absorbing the Commission’s expected \$140,000 cost to process the Julian-Cuyamaca FPD reorganization through the end of the year. Should these projections hold the Commission will finish the fiscal year with a fund balance of \$1.524 million with the unassigned portion equaling \$1.274 million. The next budget update is scheduled for February 2019.

## **RECOMMENDATION**

It is recommended San Diego LAFCO proceed with Alternative One as outlined in the preceding section.

## ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

Accept and file the report as presented.

Alternative Two:

Continue to a future meeting and provide direction to staff with respect to any additional analysis or information requested.

## 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,



Keene Simonds  
Executive Officer

Attachment:

- 1) Operating Budget | General Ledger Through September 30, 2018

**ADOPTED OPERATING BUDGET | 2018-19**

**OPERATING EXPENSES**

		FY2015-16		FY2016-17		FY2017-18		FY2018-19			
		Adopted	Actuals	Adopted	Actuals	Adopted	Actuals	Adopted	Actuals	Projected	
		FY15-16	FY15-16	FY16-17	FY16-17	FY17-18	FY17-18	FY18-19	1st Quarter	% Expended	Year End Totals
<b>Salary and Benefit Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
51110-51310	Salaries and Wages	1,028,205	493,668	1,073,177	538,165	1,100,599	617,838	689,719	127,191	18.4%	641,047
51410	Retirement - SDCERA	-	153,326	-	187,262	-	166,680	239,780	48,778	20.3%	233,209
51415	Retirement - OPEB	-	8,188	-	9,323	-	7,256	10,560	2,088	19.8%	10,198
51421	Retirement - Pension Obligation Bonds	-	30,851	-	34,496	-	27,841	41,598	7,698	18.5%	39,647
51450	Payroll Tax (Social and Medicare)	-	32,921	-	36,919	-	35,613	48,958	9,995	20.4%	47,597
51510-51550	Group Insurance (Health)	-	66,797	-	69,440	-	74,615	96,958	20,959	21.6%	92,601
51560	Unemployment Insurance	-	161	-	154	-	235	4,032	33	0.8%	3,130
		1,028,205	785,912	1,073,177	875,759	1,100,599	930,078	1,131,604	216,742	19.2%	1,067,429
<b>Services and Supplies Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
52074	Telecommunications	500	-	500	-	500	2,266	2,500	734	0.29	2,938
52178	Vehicle - Maintenance	2,000	1,150	2,000	1,456	2,000	489	2,000	80	0.04	1,321
52182	Vehicle - Fuel	500	1,274	1,500	1,096	1,500	401	1,500	37	0.02	750
52270	Memberships	9,000	7,577	10,107	8,107	15,000	11,328	13,000	9,777	0.75	11,877
52304	Miscellaneous	-	-	50	-	50	6,001	50	-	-	-
52330	Office: General	1,000	-	1,000	-	1,000	15,253	8,500	989	0.12	7,000
52332	Office: Postage	500	-	500	-	500	-	500	-	-	-
52334	Office: Printing	2,000	7,194	7,500	20	7,500	-	10,000	1,501	0.15	7,004
52336	Office: Books and Guidelines	2,000	110	2,000	-	2,000	3,609	2,000	-	-	1,250
52338	Office: Drafting/Engineering	50	-	50	-	50	-	50	-	-	-
52344	Office: Stores Unallocated	15,000	13,974	17,500	10,806	18,000	13,140	17,500	3,552	0.20	15,709
52354	Office: County Mail Services	8,000	9,228	9,500	8,220	9,000	10,037	9,000	7,275	0.81	12,275
52370	Professional Services: Consultants	427,500	378,861	402,500	408,717	382,500	326,850	259,110	103,229	0.40	349,155
52490	Publications and Legal Notices	2,500	127	2,500	57	7,500	7,085	5,000	2,500	0.50	5,000
52504	Leases: Equipment	1,166	5,996	-	4,779	4,000	5,498	6,500	1,112	0.17	5,198
52530	Leases: Office Space	75,000	73,875	77,000	75,722	80,000	79,789	79,880	19,645	0.25	79,880
52550	Special Expenses: County Overhead	126,000	190,483	100,000	196,412	155,000	47,826	155,000	17,518	0.11	72,572
52562	Special Expenses: New Hire Backgrounds	-	93	-	-	-	572	-	136	-	500
52566	Special Expenses: Minor Equipment	1,000	-	1,000	-	1,000	1,164	1,000	95	0.10	3,500
52602	Computer Training	2,000	-	2,000	-	2,000	-	2,000	-	-	-
52610	Travel and Training   In County	500	-	500	-	500	11,301	5,000	800	0.16	3,951
52612	Employee Auto	10,000	9,084	10,000	8,802	10,000	8,724	10,000	2,425	0.24	9,700
52622	Travel and Training   Out of County	1,000	-	1,000	-	1,000	14,390	10,000	10,010	1.00	17,510
52704-52722	Reimbursements: Network	33,500	28,905	33,500	29,140	31,500	27,137	30,000	6,741	0.22	28,650
52723	Reimbursements: Data Center	50,546	54,901	51,000	52,403	45,000	48,214	45,000	7,589	0.17	32,252
52725	Reimbursements: Financial Systems	6,000	22,671	6,000	20,940	20,000	18,888	20,000	7,337	0.37	31,181
52726-52732	Reimbursements: Desktop Computing	40,200	27,079	40,200	28,248	27,700	47,462	25,000	8,172	0.33	34,732
52734	Reimbursements: Help Desk	2,500	5,058	2,500	4,531	2,500	3,154	3,000	793	0.26	3,371
52750-52754	Reimbursements: Catalog Equipment	41,310	20,281	117,480	27,121	51,000	23,973	45,000	12,429	0.28	53,315
52758	Reimbursements: Vehicle Lease	2,500	773	2,500	166	3,000	1,986	2,000	496	0.25	1,986
		863,772	858,694	901,887	886,743	881,300	736,535	770,090	224,975	0.29	792,577
<b>Other Units</b>											
<b>Accounts</b>	<b>Descriptions</b>										
53585	Equipment Depreciation	2,500	2,019	2,500	2,019	2,500	2,019	2,500	-	-	2,019
54955-54961	Fixed Assets	2,500	-	1,500	-	2,500	-	2,500	-	-	-
		5,000	2,019	4,000	2,019	5,000	2,019	5,000	-	-	2,019
<b>EXPENSE TOTALS</b>		<b>1,896,977</b>	<b>1,646,625</b>	<b>1,979,064</b>	<b>1,764,521</b>	<b>1,986,899</b>	<b>1,668,632</b>	<b>1,906,694</b>	<b>441,717</b>	<b>0.23</b>	<b>1,862,024</b>

**OPERATING REVENUES**

		FY2015-16		FY2016-17		FY2017-18		FY2018-19			
		Adopted FY15-16	Actual FY15-16	Adopted FY16-17	Actual FY16-17	Adopted FY17-18	Actuals FY17-18	Adopted FY18-19	Actuals 1st Quarter	% Collected	Projected Year End Totals
<b>Intergovernmental Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
45918	Agency Apportionments	1,394,946	1,394,946	1,578,564	1,577,636	1,635,099	1,635,099	1,664,894	1,609,756	0.97	1,664,894
		1,394,946	1,394,946	1,578,564	1,577,636	1,635,099	1,635,099	1,664,894	1,609,756	0.97	1,664,894
<b>Service Charges Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
46234	Applicant Fees	125,000	76,510	150,000	186,717	125,000	168,009	125,000	6,710	0.05	80,000
		125,000	76,510	150,000	186,717	125,000	168,009	125,000	6,710	0.05	80,000
<b>Earnings Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
44105	Interests and Dividends	5,500	-	5,500	-	6,800	15,535	6,800	5,449	0.80	21,796
		5,500	-	5,500	-	6,800	15,535	6,800	5,449	0.80	21,796
<b>Miscellaneous Unit</b>											
<b>Accounts</b>	<b>Descriptions</b>										
47540	Operating Transfer	370,365	175,000	250,000	-	220,000	-	110,000	-	-	110,000
		370,365	175,000	250,000	-	220,000	-	110,000	-	-	110,000
	<b>REVENUE TOTALS</b>	<b>1,895,811</b>	<b>1,646,456</b>	<b>1,984,064</b>	<b>1,764,353</b>	<b>1,986,899</b>	<b>1,818,643</b>	<b>1,906,694</b>	<b>1,621,915</b>	<b>0.85</b>	<b>1,876,690</b>

<b>OPERATING NET</b>	\$	(169)	\$	(168)	\$	-	\$	150,011	\$	(0.00)	\$	14,665
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<b>FUND BALANCE   JUNE 30th</b>											
	Committed	300,000		300,000		300,000					
	Unassigned	1,108,695		1,169,699		1,319,710					
		<b>\$ 1,408,695</b>		<b>\$ 1,469,699</b>		<b>\$ 1,619,710</b>					
		audited		audited		unaudited					

## Chair

Jo MacKenzie, Director  
Vista Irrigation District

## Vice Chair

Ed Sprague, Director  
Olivenhain Municipal Water

## Members

Catherine Blakespear, Mayor  
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Bill Horn, Supervisor  
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Dianne Jacob, Supervisor  
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Bill Wells, Mayor  
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Lorie Zapf, Councilmember  
City of San Diego

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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

# 4

## AGENDA REPORT

Consent | Action

December 3, 2018

**TO:** San Diego Commissioners

**FROM:** Holly Whatley, Commission Counsel

**SUBJECT:** **Proposed Amendment to the Employment Agreement for Executive Officer Keene Simonds**

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## SUMMARY

The San Diego Local Agency Formation (LAFCO) unanimously approved at its October 1, 2018 meeting an amendment to the “Employment Agreement Between the San Diego Local Agency Formation Commission and Keene Simonds.” The approval increases the salary and changes the vacation leave benefits to conform to existing County of San Diego vacation accrual policies for executive management. The Commission will consider memorializing the earlier actions by authorizing the Chair to execute a proposed amendment.

## BACKGROUND

### Executive Officer | Employment Agreement

San Diego LAFCO (“Commission”) appointed Executive Officer Keene Simonds on August 7, 2017. The appointment is at-will and memorialized through an employment agreement that – and among other provisions – establishes compensation with respect to salary and benefits. The employment agreement requires the Commission conduct a formal evaluation of the Executive Officer’s performance at least once each year. The employment agreement also specifies any changes shall be done by amendments approved by the Commission.

## DISCUSSION

This item is for San Diego LAFCO to consider authorizing the Chair to execute a proposed amendment to its employment agreement with Executive Officer Keene Simonds. The proposed amendment follows the Commission voting unanimously at its October 1, 2018 meeting to increase Mr. Simonds' annual salary by 5% from \$160,000 to \$168,000, as is consistent with LAFCO Rule No. 6.2 and provisions for the Commission to consider a 5% adjustment after each anniversary date of appointment if the Executive Officer's annual salary is below the approved midpoint. As permitted by the Commission's adopted Personnel Rules, the Commission approved the salary adjustment to be effective on the first day of the first pay period following the Executive Officer's one-year anniversary date. The Commission also voted unanimously to amend Mr. Simonds' annual vacation accrual allowances to be consistent with executive management benefits provided by the County of San Diego, with this accrual adjustment to retroactive to his starting date.

The proposed amendment is provided as Attachment One.

## ANALYSIS

The changes to salary and benefits provided by the proposed amendment are within existing budget appropriations.

## RECOMMENDATION

It is recommended San Diego LAFCO authorize the Chair to execute the proposed amendment consistent with Alternative One in the proceeding section. This action would be consistent with the Commission actions on October 1, 2018.

## ALTERNATIVES FOR ACTION

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

Alternative One (recommended):

Authorize the Chair to execute the propose amendment as provided as Attachment One.

Alternative Two:

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

Alternative Three:

Take no action.

**San Diego LAFCO**

December 3, 2018 Regular Meeting

Agenda Item No. 4 | Amendment to Employment Agreement with Executive Officer Keene Simonds

The Commission may refuse to approve the amendment, request changes to the amendment, or give other appropriate direction on this subject.

**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,

Holly Whatley  
Commission Counsel

Attachment:

- 1) Proposed Amendment No. 1 to Employment Agreement

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## FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

### RECITAL

On October 3, 2018 the San Diego Local Agency Formation Commission unanimously approved amending the Employment Agreement originally entered into between the San Diego Local Agency Formation Commission (hereafter "LAFCO") and Keene Simonds ("Executive Officer") on September 11, 2017. Such approved amendments followed the Executive Officer's annual performance review and are made as permitted by Paragraph 19 of the Employment Agreement. The Parties agree as follows:

### AMENDMENTS

1. Paragraph 4 ("Compensation"), subparagraph "A" is hereby amended in its entirety to read as follows:

A. Effective as of the first day of the first pay period following the Executive Officer's one-year anniversary date September 11, 2017, the Executive Officer's annual salary shall be \$168,000 and as otherwise provided in section 6.20 of LAFCO's Personnel Rules ("Rules").

2. Paragraph 7 ("Vacation Leave"), subparagraph "A" is hereby amended in its entirety to read as follows:

A. Executive Officer shall be afforded vacation benefits provided for Executive Management per San Diego County's Compensation Ordinance Section 4.2.1 – Vacation. At present, this affords 15 days per year for employees with one to four years' service, 20 days per year for employees with five to 14 years' service, and 25 days per year to employees with 15 years of service and over. Accruals are credited on a biweekly basis and available for use as it is accrued. The effective date of this vacation accrual formula is retroactive to the start date of the Executive Officer's employment with LAFCO on September 11, 2017 and is intended to adjust the Executive Officer's vacation benefits from the inception of his employment to be consistent with the executive management vacation benefits afforded County of San Diego executive management employees.

3. All other recitals, paragraphs, subparagraphs and clauses of the Agreement remain unchanged by this First Amendment to Employment Agreement.

EXECUTIVE OFFICER

Dated: \_\_\_\_\_

\_\_\_\_\_  
Keene Simonds

LAFCO

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jo MacKenzie, Chair

Approved as to form:

\_\_\_\_\_  
Holly O. Whatley  
LAFCO Attorney

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Tameron Lockett  
LAFCO Clerk

Dated: \_\_\_\_\_

## 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

# 5

## AGENDA REPORT Consent | Action

December 3, 2018

**TO:** San Diego Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Approve Support Position and Authorize Letter |  
California WaterFix Project**

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## SUMMARY

The San Diego Local Agency Formation Commission (LAFCO) will consider a request from the Southern California Water Coalition to support the California WaterFix and its plan to improve the reliability of statewide water supplies generated through the Sacramento Delta. This plan includes constructing two underground tunnels to reroute water deliveries in the Delta around sensitive habitat before connecting to the California Aqueduct in the Central Valley at an estimated capital cost of \$16.7 billion with – pertinently – two-thirds expected to be covered by users in Southern California. Staff is recommending the Commission proceed with approving a support position as well as authorizing an accompanying letter to local legislators for reasons detailed and in conjunction with input provided by the San Diego County Water Authority.

## BACKGROUND

### California WaterFix

California WaterFix is an approximate \$17 billion infrastructure project supported by the Governor's Office. The project's underlying aim is to improve the volume and reliability of water supplies generated in the Sierra Nevada mountains and conveyed through the Sacramento Delta to agricultural and urban users in Central and Southern California. The project is marked by constructing two underground tunnels to bypass the central Delta basin and reconnect with the California Aqueduct in the Central Valley. Project costs will

be entirely borne from State Water Project and Central Valley Project contractors and their subcontractors and ultimately covered through customer water rates.

### **Metropolitan Water District of Southern California and San Diego County Water Authority**

The Metropolitan Water District of Southern California (“MWD”) is the single largest contractor of the State Water Project and Central Valley Project. MWD – notably – is a wholesale provider and subcontracts its supplies to other providers (wholesale and retail) or members in the region. This includes subcontracting water supplies through its own infrastructure to the San Diego County Water Authority (SDCWA), which in turn wholesales to its own local member agencies and most prominently the City of San Diego.

In April 2018, MWD took Board action to support California WaterFix and plan therein to construct two underground conveyance tunnels to reroute fresh water supplies around the central Delta Basin. MWD also agreed to contribute up to two-thirds – or \$11 billion – towards the estimated project cost, and in doing so cover potential funding shortfalls should agricultural users in the Central Valley choose not to participate. MWD’s approval, however, was not unanimous with its two largest member agencies – City of Los Angeles and SDCWA – voting against the project and specifically in opposition to assuming agriculture’s costs.

### **Request from Southern California Water Coalition**

San Diego LAFCO received a written request in September 2018 from the Southern California Water Coalition (“Coalition”) to take an official support position on California WaterFix and authorize sending an accompanying letter to local legislators.<sup>1</sup> The request followed a bi-annual meeting of the six Southern California LAFCOs held on August 13<sup>th</sup> that included a presentation from MWD on the status on the California WaterFix project. As part of the ensuing discussion, Charley Wilson – Commissioner from Orange LAFCO and Executive Director of the Coalition – commented on the harmonizing aspects of the project with LAFCOs directive to support current and future growth in California. After further discussion, including considering a joint-letter approach, it was agreed individual LAFCOs in the region should take up the topic and consider taking their own support position. The Coalition followed up with sending written requests to all six regional LAFCOs to consider issuing support letters to legislators. All five other region LAFCOs have subsequently approved support positions at recent meetings.

A copy of the written request received by San Diego LAFCO is provided as Attachment One.

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<sup>1</sup> The Coalition’s website describes its organization, as a “nonprofit, nonpartisan public education partnership dedicated to informing Southern Californians about our water needs and our state’s water resources through measured advocacy.”

## DISCUSSION

This item is for San Diego LAFCO to consider the request received from the Coalition to approve a support position on California WaterFix. The Commission will also relatedly consider authorizing staff to issue a support letter for the project to local legislators.

## ANALYSIS

Staff has discussed the request with several stakeholders and believes a support position for California WaterFix is appropriate and affirmatively reflects San Diego LAFCO's interests and duties to facilitate orderly public works projects to accommodate current and future growth. Staff believes it is equally appropriate for the Commission to tailor its support for this otherwise statewide project to address unique local conditions. Accordingly, and in support of the position taken by the San Diego County Water Authority Board of Directors, it would be prudent for the Commission to condition support on a responsive allocation of costs of the project by MWD as volumetric conservation, or supply charges, to its member agencies.

## RECOMMENDATION

It is recommended San Diego LAFCO approve the request received from the Coalition and provide its support for the California WaterFix project. This recommendation would be accommodated by taking the actions outlined in the succeeding section as Alternative One.

## ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO:

Alternative One (recommended):

- a) Approve a support position for California WaterFix.
- b) Authorize the Executive Officer to issue support letters on California WaterFix consistent with the policy emphasis identified in the preceding section and/or as requested by the Commission.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for more information as needed.

Alternative Three:

No action.

**San Diego LAFCO**

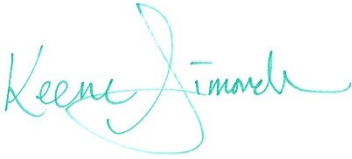
December 3, 2018 Regular Meeting

Agenda Item No. 5 | Authorize Support Position and Letter for California WaterFix

**PROCEDURES**

This item has been placed on the 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 unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachment:

- 1) Request to San Diego LAFCO from the Southern California Water Coalition



**Agenda Item No. 5**  
**Attachment One**

August 28, 2018

San Diego Local Agency Formation Commission  
Executive Officer Simonds Keene  
9335 Hazard Way, Suite 200  
San Diego, CA 92123

Dear Executive Officer Keene,

On August 13, 2018, the Southern Region LAFCO members met and had a detailed presentation on the need for and benefits of modernizing the state's aging water delivery system responsible for more than 30 percent of Southern California's fresh water supply.

In a landmark decision in July, water leaders at the Metropolitan Water District of Southern California (MWD) voted to finance up to 64.6 percent of California WaterFix, the \$17 billion twin tunnels project that is critically needed to upgrade the infrastructure that moves the state's backbone supply of water to Southern California. MWD also was among the founding members of the Joint Powers Authority created to manage the project's design and construction.

Since that time, momentum to enhance the state's water system has grown substantially, fueled by resounding support from a broad, Southern California-based coalition of diverse interests including local cities, counties, water agencies, business, industry, labor, agriculture and non-profits. Public support for the project is also strong. A recent poll by the Public Policy Institute of California (PPIC) found that 78 percent of Californians think WaterFix is important for the future quality of life and economic vitality of the state.

On behalf of the millions of Southern Californians represented through the Local Agency Formation Commissions throughout the region, it is apparent that local government is responsible to ensure the establishment of an appropriate, sustainable, and logical municipal level government structure for the distribution of efficient and effective public services.

By modernizing and upgrading the state's aging water delivery system, California WaterFix will provide a secure, reliable and affordable water supply, which is necessary as we perform state-mandated municipal service reviews. Absent this solution, future changes in local water supply development could have a significant impact in providing long-term improvements in the delivery of municipal water services.

As the representative agencies responsible for effective and efficient delivery of municipal services, we think it's prudent for your commission to consider lending its voice in support of this necessary project and to support our jurisdictions in demonstrating a reliable water supply into the future.





As such, I would recommend the following statement for serious consideration and action in support of a reliable water future for Southern California by your commission.

Respectively,

Charles Wilson  
Executive Director and CEO  
Southern California Water Coalition

### **Proposed Statement**

On behalf of the millions of Southern Californians represented through the San Diego Local Agency Formation Commission responsible to ensure the establishment of an appropriate, sustainable, and logical municipal level government structure for the distribution of efficient and effective public services, we support the modernization of the state's aging water delivery system through California WaterFix as part of an "all the above" strategy to ensure a reliable water supply for our region's future.

Roughly 30 percent of the water that flows out of taps in Southern California comes from Northern California via the Sacramento-San Joaquin Delta. But the Delta's delivery system is antiquated, a problem compounded both by a declining ecosystem and 1,100-mile levee system that are increasingly vulnerable.

California WaterFix is a comprehensive solution proposed by state and federal agencies to ensure our state has a reliable water supply for many years to come. It would modernize the decades-old delivery system through the building of three new intakes in the northern Delta along with two tunnels to carry water to the existing aqueduct system in the southern Delta.

We further believe that California WaterFix will provide LAFCO and its stakeholders the opportunity to demonstrate vision and leadership in tackling one of our region's most important issues and facilitate necessary "seeds" for future changes in local water supply development leading to a long-term improvement in the delivery of municipal water services.

