

**SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
FEBRUARY 4, 2013**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Andrew Vanderlaan. Also present were: Regular Commissioners – Supervisor Bill Horn (arrived at 9:04 a.m./left at 9:40 a.m.), Supervisor Dianne Jacob, Mayor Jim Janney, Mayor Mark Lewis, Special District Members John Ingalls, Bud Pocklington and Councilmember Lorie Zapf (arrived at 9:05 a.m.). Alternate Commissioners – Jo MacKenzie, Harry Mathis, and Mayor Sam Abed. LAFCO Staff – Executive Officer Michael Ott, Assistant Executive Officer Shirley Anderson, Local Governmental Analyst Robert Barry, and Legal Counsel Thomas Bosworth. Absent were: Alternate Commissioners – Councilmember Sherri Lightner and Supervisor Greg Cox.

Item 1

Roll Call

The Commission Secretary performed the roll call for the February 4, 2013, LAFCO meeting. With the exception of Alternate Commissioners Cox and Lightner, all other commissioners were present.

Item 2

Approval of Minutes of Meeting Held December 3, 2012

On motion of Commissioner Pocklington, seconded by Commissioner Lewis, and Commissioner Jacob requested to abstain due to her absence of the last meeting, carried unanimously by all other commissioners present; the Commission dispensed with reading the minutes of December 3, 2012 and approved said minutes.

Item 3

Executive Officer's Recommended Agenda Revisions

Chairman Vanderlaan asked the Executive Officer if there were any agenda revisions. Executive Officer Michael Ott indicated that there were no revisions to the agenda.

Item 4

Commissioner / Executive Officer Announcements

Chairman Vanderlaan asked the Commission and Executive Officer if there were any announcements. He thanked Commissioner Jacob for serving as the 2012 Commission Chairperson.

Item 5
Public Comments

Chairman Vanderlaan asked the public if anyone requested to speak on an item that is not related to the agenda. He indicated that there were no speaker slips received from members of the public for comments.

Item 6
**Proposed “Chevron Service Station Annexation”
to the San Diego County Sanitation District (DA12-05)**

Michael Ott provided a brief report to the Commission regarding an annexation involving 1.67-acres of territory to the San Diego County Sanitation District. At the request of Michael Ott, the Commission waived the staff presentation.

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

- (1) Find in accordance with the Executive Officer's determination, that pursuant to Section 15319(a) of the State CEQA Guidelines, the annexation is not subject to the environmental impact evaluation process because the proposal *involves annexation to a special district of an area containing existing private structures developed to the density allowed by the current zoning, and that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities; and*
- (2) Adopt the form of resolution approving this annexation for the reasons set forth in the Executive Officer's Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the annexation subject to the following conditions:

Payment by property owner of San Diego County SD capacity fees and sewer service fees, and State Board of Equalization charges.

Item 7
**Proposed “Charles – Hymettus Avenue Annexation”
to the Leucadia Wastewater District (RO12-09)**

Michael Ott provided a brief report to the Commission regarding an annexation involving 0.39-acre of territory to the Leucadia Wastewater District. At the request of Michael Ott, the Commission waived the staff presentation.

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

- (1) Concur in the determination by the Leucadia Wastewater District that this annexation is exempt from CEQA review pursuant to Section 15319(a) of the State CEQA Guidelines because the proposal involves annexation to a special district of an area containing existing private structures developed to the density allowed by the current zoning, and that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities; and
- (2) Adopt the form of resolution approving this annexation for the reasons set forth in the Executive Officer's Report, waiving the Conducting Authority proceedings according to Government Code Section 56663(c), and ordering the annexation subject to the following conditions:

Payment by property owner of Leucadia Wastewater District capacity fees and service charges, and State Board of Equalization fees.

Chairman Vanderlaan opened the public hearing for Items 8A and 8B.

Items 8A/B

Proposed Adoption of an Amendment to the Sphere of Influence for the San Diego County Sanitation District in Association with the Proposed "917 N. 1st St. Reorganization" (City of El Cajon) (RO/SA12-01)

Michael Ott introduced Robert Barry, Local Governmental Analyst, who provided a brief report to the Commission regarding an amendment to the Sphere of Influence for the San Diego County Sanitation District in association with the proposed "917 N. 1st St. Reorganization.

He indicated there was support from the agencies for this proposal, however, he explained the property tax exchange made by the County does not designate allocations of future revenues to servicing agencies. Mr. Barry distributed a map to the Commissioners to reflect a boundary modification to avoid jurisdictional confusion.

Leonard Villarreal, Public Information Officer, representing San Miguel Fire Protection District (FPD), spoke in opposition to the Commission and requested to rescind the District's letter of support dated 11/01/12.

Mr. Villarreal explained to the Commission that the San Miguel FPD objects to the property tax exchange for this proposal. He indicated the District was unable to protest earlier and, therefore, is in opposition of this item.

Commissioner Jacob acknowledged and agreed with the District's issues and requested suggestions on how to resolve the property tax exchange issues. Michael Ott recommended continuing this item so the County could renegotiate the property tax exchange.

On motion of Commissioner Jacob, seconded by Commissioner Janney, and carried unanimously by the commissioners present, the Commission took the following actions and to close the public hearing:

- 1) Continue the item to a future meeting date to allow County staff to renegotiate the property tax exchange between the County of San Diego and the San Miguel Fire Protection District.

Item 9

Sphere of Influence and Service Review and Proposed Affirmation of Spheres for the “Borrego, Cuyamaca, and Wynola California Water Districts”

Shirley Anderson, Assistant Executive Officer provided a status report to the Commission regarding evaluations and recommendation from a comprehensive sphere review of all 100 agencies within San Diego County. She informed the Commission that the evaluation is underway and all agencies have responded to a survey distributed by LAFCO. Ms. Anderson indicated reports and recommendations will be provided to the Commission periodically in categorical groups.

The three California Water Districts addressed in this report are located in the eastern part of San Diego County and include the following information and recommendations:

Borrego Water District: Originally formed in 1962 for groundwater services. The District currently provides groundwater replenishment, potable water, wastewater, flood and vector control, solid waste and park and recreation services within the unincorporated east-county community of Borrego Springs. No sphere changes or jurisdictional boundary changes are recommended at this time. It is recommended that the existing larger-than district sphere for the Borrego Water District and the larger-than service area sphere for restricted wastewater services should be reaffirmed.

Cuyamaca Water District: Originally formed in 1984 to assume ownership of a private water utility. The District currently maintains four wells and two potable reservoir tanks and provides groundwater services covering approximately 260 acres. The coterminous sphere was affirmed in 2005 and again in 2007. No sphere or jurisdictional changes are recommended at this time. It is recommended that the existing coterminous sphere should be reaffirmed.

Wynola Water District: Originally formed in 1969 to support a community water system. The District currently maintains a system of 10 wells and two water storage tanks. It has never annexed any additional territory. The sphere was affirmed in 2005 and again in 2007. No sphere or jurisdictional changes are recommended at this time. It is recommended that the existing coterminous sphere should be reaffirmed.

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

- (1) Find in accordance with the Executive Officer's determination that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the sphere affirmations, transitional sphere designation(s), special study areas(s) and/or minor sphere amendment(s) are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility for the proposed projects to significantly impact the environment, and the activity is not subject to CEQA;
- (2) Find in accordance with the Executive Officer's determination, that pursuant to § 15306 of the State CEQA Guidelines, the municipal service review is not subject to the environmental impact evaluation process because the service review consists of data collection and research that will not result in a disturbance to an environmental resource;
- (3) For the reasons set forth in the 2012 *Five-Year Sphere of Influence and Service Review: California Water Districts*, adopt the written statements on file specifying the functions and classes of services and affirm the existing larger-than-district sphere of influence for the Borrego Water District and the larger-than-service area sphere for the Borrego Water District restricted wastewater service area and coterminous spheres for the Cuyamaca and Wynola Water Districts.
- (4) Direct the Executive Officer to prepare written Statements of Determinations and associated resolutions, consistent with the recommendations in the February 4, 2013 LAFCO staff report.

Item 10

San Diego LAFCO Purchasing and Capitalization Procedures

Michael Ott gave a brief presentation of the draft procedures covering LAFCO Purchasing and Capitalization. The procedures were developed in response to one of the recommendations from LAFCO's outside Auditor, Mayer Hoffman and McMahon, P.C.

He informed the Commission that the new procedures will provide effective guidance for Commission purchases, inventory control and capitalization of assets, and will help to achieve conformance with budgetary actions and approvals. Mr. Ott indicated the draft documents were referred to the Audit Committee members and LAFCO's bookkeeper, SMA Accounting, for review. After both reviews and input, recommendations discussed at the audit committee meeting and additional changes were made. He informed the Commission that LAFCO staff has been testing the draft procedures on an interim basis. No significant issues have been identified and he recommends that the Commission receive and approve the audit committee's draft Purchasing and Capitalization Procedures for San Diego LAFCO.

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

Receive and approve the audit committee's draft purchasing and capitalization procedures as contained in Attachment 1.

Item 11
Second Quarter
FY 2012-13 Budget Update

Michael Ott presented a brief update report to the Commission of the Second Quarter, Fiscal Year 2012-13 Budget. He stated the budget performance remains strong, revenues were over 200% higher than projected, and expenses were approximately 30% below budget.

He indicated the comprehensive financial statement included in the report should be reviewed for further information regarding LAFCO's budgetary performance and requested any suggestions or comments from the Commissioners present.

Following discussion and comments from Commissioner Abed and Zapf related to projected costs and surplus, Mr. Ott informed the Commission of a few projects occurring in the near future: Service Review and Fire Services studies with may include possible consolidation activities; and a Records Management project. He also indicated that he would be returning with a report in the future dealing with allocation of reserves to fund certain special projects (e.g., Fire District Consolidation). Commissioner Jacob supported the special project funding concept presented by Mr. Ott and recommended showing fund balances in future budget reports. Mr. Ott indicated that the fund balance activity is already shown in the budget report, but that he can relocate this table in a more prominent area.

On motion of Commissioner Pocklington, seconded by Commissioner Zapf, and carried unanimously by the commissioner's present, the Commission took the following action:

Receive and accept the Second Quarter FY 2012-13 LAFCO Budget Update.

Item 12
Quarterly Self-Approved
Expense Claims Report

Michael Ott indicated that there was one reimbursement expense claim to report for the Second Quarter in the amount of \$98.24 for a meeting expense.

On motion of Commissioner Pocklington, seconded by commissioner Zapf, and carried unanimously by the commissioner's present, the Commission took the following action:

The Commission accepted and ratified the Quarterly-Self-approved Expense Claims Report (Second Quarter FY 2012-13).

There being no further business to come before the Commission, the meeting adjourned at 9:54 a.m. to the March 4, 2013 meeting, in Room 302, County Administration Center.

**Ruth Arellano
Administrative Assistant
San Diego Local Agency Formation Commission**