

**SAN DIEGO LAFCO  
MINUTES OF THE REGULAR MEETING  
OCTOBER 1, 2012**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairwoman Supervisor Dianne Jacob. Also present were: Regular Commissioners – Public Member and Vice Chairman Andy Vanderlaan, Supervisor Bill Horn, Mayor Mark Lewis, Special District Members John Ingalls and Bud Pocklington, and Councilmember Lorie Zapf. Alternate Commissioners – Special District Member Jo MacKenzie and Mayor Sam Abed. LAFCO Staff – Executive Officer Michael Ott, Assistant Executive Officer Shirley Anderson, Local Governmental Analyst Robert Barry, Legislative Research Director Harry Ehrlich and Legal Counsel Thomas Bosworth. Absent were: Regular City Commissioner – Mayor Jim Janney. Alternate Commissioners – Supervisor Greg Cox, Councilmember Sherri Lightner and Public Member Harry Mathis

**Item 1  
Roll Call**

The Commission Secretary performed the roll call for the October 1, 2012, LAFCO meeting. With the exception of Regular Commissioner Mayor Janney and Alternate Commissioners Cox, Lightner and Mathis, all other commissioners were present.

**Item 2  
Approval of Minutes of Meeting Held September 10, 2012**

On motion of Commissioner Lewis, seconded by Commissioner Pocklington, and carried unanimously by the commissioners present; the Commission dispensed with reading the minutes of September 10, 2012 and approved said minutes.

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

Chairwoman Dianne Jacob 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**

Chairwoman Jacob asked the Commission and Executive Officer if there were any announcements. Commissioner Bud Pocklington commented about the Special District's conference that he attended. He congratulated Alternate Commissioner Jo MacKenzie regarding their district's General Manager, Roy Coox receiving an award for being "Outstanding Manager" of the year for the State of California.

Vice Chairman Andy Vanderlaan commented about the meeting that he and Executive Officer Michael Ott attended for the Fallbrook Public Utility District and Rainbow

Municipal Water District regarding consolidation between the two districts. Mr. Vanderlaan said that the consolidation between the districts would be a cost saving. He also said that Mr. Ott explained the consolidation process amongst the districts and how the districts would be reformed.

#### **Item 5**

##### **Public Comments**

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

#### **Item 6**

##### **Proposed "Stewart – Rockcrest Road Annexation" to the San Diego County Sanitation District (DA12-10)**

Michael Ott provide a brief report to the Commission indicating that the proposed proposal is an annexation involving the San Diego County Sanitation District and that the item is on the agenda for information purposes.

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

#### **Item 7**

##### **Progress Report: FY 2012-13 Sphere-of-Influence and Municipal Service Review Program**

Michael Ott provided a brief report to the Commission regarding the Sphere-of-Influence and Municipal Service Review Program. Mr. Ott indicated that State Law requires LAFCOs to review and update spheres-of-influence every five years. He said that the Commission adopted a FY2012-13 budget to provide funds as necessary to the sphere review program involving about 100 local agencies within the county. Mr. Ott indicated that Assistant Executive Officer, Shirley Anderson is managing the five-year program and she would provide further information.

Shirley Anderson provided a staff presentation to the Commission regarding the Sphere-of-Influence and Municipal Service Review (MSR) Program. Ms. Anderson said that the commission approved the FY2012-13 budget for the sphere review and MSR program. She said that questionnaires were developed for 100 agencies, which included the independent and dependent special districts, San Diego County Water Authority (CWA), Metropolitan Water District (MET) and the 18 cities and distributed in July and August. She also said that there will be written determinations for each of the sphere reviews and MSRs.

Ms. Anderson indicated that a preliminary review was completed in FY 2007-08 for the spheres of each of the special district agencies and that the current sphere review and MSR would probably affirm most existing spheres. She also said that the Commission requested a work plan in the FY 2012-13 budget for MSRs and Special Studies.

Ms. Anderson indicated that the commission established a work plan as a priority to complete a special study for the San Miguel Consolidated Fire Protection District (FPD). She said that the San Miguel Consolidated FPD released a Request for Proposal (RFP) due to financial and related services issues. She indicated that CAL FIRE responded to the RFP and that the Board of Directors accepted the agreement with CAL FIRE on September 25<sup>th</sup> for services beginning on December 31<sup>st</sup>. Ms. Anderson said that the FPD will still have their administrated employees and that LAFCO will provide a special report to the Commission at the November meeting.

Ms. Anderson indicated that County Service Area No. 135 (San Diego County Regional Communications System / Fire Protection and Emergency Medical Services) was approved by the Commission in January 2012 for expansion of latent powers in Step II of the Hybrid Plan and a MSR was a condition of the approval. She said that the MSR will evaluate the latent powers operation; review opportunities for cost avoidance and shared facilities; explore government structure options; and evaluate whether and open bid process in proposing efficient plans to qualified contractors for providing fire protection services.

Ms. Anderson indicated that Fallbrook, Grossmont, Palomar Health and Tri-City Healthcare Districts received a special questionnaire and when the information is received a work plan will be developed.

Ms. Anderson indicated that the Ramona Municipal Water District (MWD) was also placed as a priority regarding wastewater services. She said that the district is not under review for fire protection and EMS services. She also said there have been inquires from the citizens about removing wastewater from a specific area of Ramona and formation a Community Services District for wastewater treatment.

Ms. Anderson indicated that the Mootamai, Pauma, and Yuima MWDs were also subject to special inquires. She said that Mootamai and Pauma MWDs were formed to protect the water rights of district property owners and that these districts do not provide water services they provide groundwater monitoring systems. She also said that Yuima MWD is a member of CWA and provides imported water and groundwater. She said that there have been inquires about examining how these three districts with overlapping territory and service responsibilities may reorganize efficient delivery services.

Alternate Commissioner Jo MacKenize asked for clarification about the residents in the Ramona area that want to oversee the wastewater treatment. In response to the question, Ms. Anderson said that it would be wastewater treatment only and no involved water services.

Ms. Anderson indicated that the Rainbow, San Luis Rey and Valley Center MWDs have completed an MSR, which is in conjunction with a reorganization. She said that there are some issues that need to be addressed regarding the proposed development along the I-15 coordinator and Old Highway 395 the MSR will provide direction for realigning the agencies spheres and boundaries. She also stated that the Fallbrook Public Utility

District and Rainbow MWD have begun consolidation discussions and a sphere and MSR amendment or update may be necessary.

Ms. Anderson indicated that the Fairbanks Ranch, Rancho Santa Fe, Whispering Palms Community Services Districts and the Leucadia County Wastewater, San Dieguito, and Santa Fe Irrigation Districts and the Olivenhain MWD provide water and wastewater services and have been the subject of inquiry for cooperative service provision or affirmation of current service organization.

Ms. Anderson indicated that LAFCO will provide a report at the beginning of next year and that no action is required by the Commission at this time.

Commissioner Pocklington suggested that LAFCO write a letter to Mootamai, Pauma, and Yuima MWDs to encourage that the districts merge into one district for cost savings. Commissioner Jacob suggested a follow-up and that a subcommittee be appointed to work with these agencies, if necessary.

Commissioner Vanderlaan thanked LAFCO staff for an outstanding report.

Commissioner Jacob asked about CSA No. 135 status and implementation of timeline for completing Step III of the Hybrid Plan and clarification of which fire protection districts were included in Step III. In response to the questions, Shirley Anderson said that Rural, Pine Valley, and Julian-Cuyamaca FPDs were included in the Step III. She indicated that Julian-Cuyamaca FPD opted out in Step I, but had the option to be included in Step III. Commissioner Jacob stated that there are on-going discussions between the San Diego County Fire Authority and the Board members of Julian-Cuyamaca FPD to opt into the Step III Hybrid Plan.

The Commission accepted the Sphere-of-Influence and Municipal Service Review Report.

#### **Item 8**

#### **Progress Report: Implementation of Senate Bill No. 244 (Wolk) and Assembly Bill No. 54 (Solorio)**

Michael Ott provided a brief report to the Commission regarding the implementation of Senate Bill (SB) No. 244 (Wolk) and Assembly Bill (AB) No. 54 (Solorio). Mr. Ott said that SB 244 is a new bill that requires LAFCO to plan for *disadvantaged unincorporated communities* and that AB 54 pertains to mutual water companies. He indicated that Local Governmental Analyst, Robert Barry will provide a PowerPoint presentation for further information.

Robert Barry provided a PowerPoint presentation to the Commission regarding SB 244 (Wolk) and AB 54 (Solorio) two new bills that were signed by the governor and effective January 1, 2012. Mr. Barry said that SB 244 requires cities, counties, special districts, and LAFCOs to identify and analyze *disadvantaged unincorporated communities*. He said that AB 54 authorizes LAFCO to include mutual water companies in municipal service reviews.

Mr. Barry indicated that SB 244 (Wolk) bill requires identification and analysis of a *disadvantaged unincorporated communities* within or contiguous to an existing spheres of influence to the cities and special districts that provide sewer, water, and fire protection services and/or facilities. He said that the bill defines that a *disadvantaged community* consists of a statewide annual median household income of less than 80% of (\$57,708) according to the 2010 State of California Census Bureau. He also said that a median household income of \$46,166 or less is also considered a potential qualifying area.

Mr. Barry said that LAFCO staff presented a report to the Commission in December 2011 with a development implementation plan to comply with the statutory deadline of July 1, 2012. He indicated that LAFCO staff developed an implementation plan and identified several tasks: (1) Producing a base map of all San Diego County census tracts with SANDAG to provide the median household estimates; (2) Identify potential SB 244 qualifying areas in relation to adopted spheres of influences; (3) Determine how local agencies plan for sewer, water, and fire protection needs and deficiencies within the area; and (4) Outreach and coordinate with the County, cities, and special districts through the 2012 sphere of influence review program. He also said that State Law requires LAFCO to review all the agencies spheres.

Mr. Barry indicated that AB 54 (Solorio) bill authorizes LAFCO to collect information about mutual water companies as part of a municipal service review when LAFCO prepares or updates a sphere of influence. He said that 20 mutual water companies were identified within San Diego County. He said that the mutual water companies are required to submit an approximate service area map to LAFCO. He also said that the mutual water company board members are required to attend an on-line workshop provided by the California Department of Public Health, the Rural Community Assistance Corporation which is related to financial conflicts of interest, fiduciary responsibility, strategic planning, Safe Drinking Water Act compliance, long term management, and Capital Improvement Planning completion is required by the end of 2012.

Mr. Barry said that LAFCO staff presented a report to the Commission in December 2011 with a development implementation plan to comply with the statutory deadline of December 31, 2012. He indicated that LAFCO staff developed an implementation plan and identified several tasks: (1) Research and identify mutual water companies within San Diego County; (2) Obtain contact information for the mutual water companies Safe Drinking Water Program; and (3) Outreach and coordinate with the mutual water companies to inform them of the new AB 54 requirements, develop / submit an approximate service area map and deadlines.

Commissioner Pocklington thanked LAFCO staff for a good report. Mr. Pocklington asked how many agencies were below or included in the 80% and what is the lowest amount of the \$46,166 annual median household income of the SB 244 bill. In response to the questions, Mr. Barry said that it averaged from zero to \$46,166 based on the area to 12 or more registered voters or at least five households according to SANDAG's data.

Mr. Pocklington also asked how many districts are in the category of the SB 244 bill. In response to the question, Mr. Barry said that it includes all the water, sewer and fire protection districts. He also said that 12 out of the 18 cities and two-third's of the districts were affected based on different requirements whether they are located within the sphere or adjacent to the sphere.

The Commission accepted the Senate Bill No. 244 and Assembly Bill No. 54 Report.

#### **Item 9**

#### **Legislative Update Report**

Harry Ehrlich, Director of Legislative provided a brief report to the Commission regarding the Legislative update report. Mr. Ehrlich indicated that the governor signed about 500 bills and vetoed 90 bills. He said that the bills related to LAFCO were already handled and no action is required. He noted that CALAFCO and CCL will be reviewing or looking at legislative issues or other legislative items that deals with proposals for next year's CALAFCO conference along with the new Executive Director, Pamela Miller.

The Commission accepted the Legislative Report.

There being no further business to come before the Commission, the meeting adjourned at 9:42 a.m. to the November 5, 2012 meeting, in Room 302, County Administration Center.

**Tamaron Luckett  
Administrative Assistant  
San Diego Local Agency Formation Commission**