

**MINUTES**  
**LOCAL AGENCY FORMATION COMMISSION**  
**MUNICIPAL SERVICE REVIEW WORKING GROUP**  
**MONDAY, DECEMBER 1, 2003**

Chairman Andy Vanderlaan (LAFCO Commissioner-Public) convened the Local Agency Formation Commission Municipal Service Review Working Group meeting at 9:50 a.m. Also present were: Working Group Members - Vice Chairman Harry Ehrlich (Special Districts Advisory Committee), Supervisor Dianne Jacob (LAFCO Commissioner-County), Andy Menshek (LAFCO Commissioner-Special Districts), Jo MacKenzie (Special Districts Advisory Committee), and Penny Riley (Ad Hoc Cities Advisory Committee); LAFCO Staff - Michael Ott. Absent were: Councilmember Patty Davis (LAFCO Commissioner-Cities), and Paul Malone (Ad Hoc Cities Advisory Committee).

**Item 1**

**Approval of Minutes for October 6, 2003 Meeting**

On motion of Andy Menshek, seconded by Jo MacKenzie, and carried unanimously by the members present, the working group dispensed with reading the minutes of October 6, 2003, and approved said minutes.

**Item 2**

**Executive Officer's Agenda Revisions**

Michael Ott indicated there were no revisions to the agenda.

**Item 3**

**Draft Analysis of Chapter 3 (Administration, Management and Operations), and Chapter 4 (Governance)**

Mr. Ott gave the staff presentation for the Draft Analysis of Chapter 3 (Administration, Management and Operations) and Chapter 4 (Governance), indicating that for the past two years LAFCO staff has collected an immense amount of data, summarized the data for the working group members and the public; and developed County-wide guidelines and a strategy to ensure that the municipal service review process would comply with the requirements of State Law. Mr. Ott said that in February 2004, a comprehensive draft report would be presented at a joint meeting of the Local Agency Formation Commission, Municipal Service Review Working Group and the Special Districts Advisory Committee that will contain a summary of the data collected, an analysis of the data, and determinations or conclusions regarding the data. Mr. Ott said that under State Law determinations are one or more declaratory statements that will put the municipal service review process into perspective in terms of how efficiently services are provided in the region.

Supervisor Jacob requested that Mr. Ott provide more details on how the comments of the current and former district employees would be incorporated into the municipal service review.

Mr. Ott said current and former district employees' comments would be incorporated into the municipal service review through the data summary process. Mr. Ott stated that the final hearing draft presented at the joint meeting in February 2004 would have conclusions/determinations regarding whether or not the employees' comments have an impact on service delivery. He said that if LAFCO staff feels an agency should programmatically address current or former employees' comments through policies and procedures, the determinations will provide that direction.

Responding to a question of Supervisor Jacob, Mr. Ott said that turnover rates are for the evaluation period of the municipal service review. He said turnover rates covered part of 2002, but that the reporting period varied for each agency.

Supervisor Jacob stated that it would be helpful to get the turnover rate numbers updated. She suggested that staff look at the number of outside consultants that have been retained by each district. She indicated that, while the district or districts may not have had full-time staff, they may have hired outside consultants, which would not present a true picture of staffing ratios. She also suggested that staff provide information that would indicate which agencies "are doing the best job at policing improper interaction between elected officials and staff," and that a conclusion or determination be made by LAFCO staff regarding this issue.

Mr. Ott said that LAFCO staff will present determinations and conclusions regarding the quality of service being provided by the agencies based on the questions asked of the agencies and the responses given by those agencies.

Mr. Ott introduced Commissioner Wootton, who discussed statewide issues regarding governance and oversight.

Chairman Vanderlaan complimented staff on presenting a comprehensive report to the working group.

Supervisor Jacob agreed that staff presented a very comprehensive report. Supervisor Jacob asked if LAFCO staff would bring forward additional possibilities for reorganization.

Mr. Ott said that staff is not limited to what has been presented in Chapters 1 through 4 of the municipal service review, and said that if any member of the working group has suggestions, staff will consider them in the recommendation phase of the process.

Supervisor Jacob indicated that, when the final report is presented to the working group, the report should include options for reorganization opportunities that would lead to greater efficiencies and lower rates for both water and sewer.

Jo MacKenzie also agreed that the report was very comprehensive, and asked what the next step would be regarding the reorganization options that were detailed in the staff report, and who would take that step.

Mr. Ott said that the purpose of the municipal service review is to provide an information document that will potentially lead to other reports and actions that may be taken by LAFCO, by the agencies that are within the region that is being studied, or by the public through the petition process.

Jo MacKenzie indicated that she would like to see a final action plan and asked who would pay for additional studies and implementation.

Mr. Ott said the reorganization issues are only one-ninth of what is being studied, but the reorganization issues are significant because LAFCO only has purview over physical reorganizations of agencies, not internal reorganizations such as hiring, firing, or downsizing. He said, however, that staff would render conclusions regarding all pertinent issues in the determinations portion of the final draft report.

Vice Chairman Ehrlich said that the report is a very good documentation of what has occurred in the southern and eastern area of San Diego County relative to water and sewer service for the past 50 years. He asked if staff is looking into the future in terms of master plans of the agencies as opportunities for efficiencies and cost-effectiveness.

Mr. Ott said that LAFCO staff has looked at master plans, capital improvement plans, and long-range plans of the agencies within the regional based study area.

Vice Chairman Ehrlich said that the reason he asked this question is that the 20-year franchise agreement between the City of Chula Vista and Otay Water District is already eight years old, and these issues will reappear, and that is why it is important to look into the future.

Jo MacKenzie asked for clarification regarding irrigation districts and water districts director elections. She asked if the district directors are elected by divisions, and if the directors need to be a resident of the division. She asked if there is legislation that requires the director to be a landowner within the district, and live within the division that he/she represents.

Andy Menshek indicated this information was correct.

## **Item 5** **Public Comment**

David Burpeau, representing himself and co-worker Brandon Di Pietro, addressed the working group, indicating they are proud to be employees of the Otay Water District.

Carrie L. Ludwig, a former employee of the Otay Water District and representing Thomas K. Monro, a current employee of the Otay Water District, addressed the working group. Ms. Ludwig read a letter from Mr. Monro to the working group regarding current management practices at the Otay Water District.

Chairman Vanderlaan said that the working group appreciates those who spoke today and those who have come before the working group in the past. He said this information would be noted in the final report. Chairman Vanderlaan asked Mr. Ott to provide further comments on the subject.

Mr. Ott said that every comment that is presented to the working group is taken seriously as to how it relates to the delivery of services. He indicated that if LAFCO staff concludes that the comments have a bearing on how services are, or should be, provided, they will be addressed in the final hearing draft of the report. Mr. Ott said that, based on some of the comments that have been presented, staff will make suggestions/observations for the agencies to consider in terms of how to manage employees in an open environment.

Vice Chairman Ehrlich asked what the working group can expect at the joint meeting on February 2, 2003.

Mr. Ott said that LAFCO staff will assemble all the materials that have been presented to the working group, including determinations, which will be cross-linked to the data in the discussion portion of the report and will circulate the information for an approximate 30-day review period. Mr. Ott said this information will be released by the end of December. Mr. Ott said the joint meeting, scheduled for February 2, 2004, would convene to review the hearing draft. The Local Agency Formation Commission would be requested to take final action on the municipal service review at the February meeting.

Penny Riley said that there are a number of impediments listed with the City of Chula Vista's request to study how Otay and Chula Vista interact related to water service. Ms. Riley asked if there are similar impediments, or other impediments, that should be discussed regarding the suggested reorganizations.

Mr. Ott indicated that staff would add a similar discussion of issues/impediments to be considered for the other possible reorganizations in the hearing draft.

Chairman Vanderlaan commented that each district should approach labor and management issues with understanding, and said these issues should be handled internally. He said that some of the testimony and letters that have been received by the working group are indicators that something is not working well, and indicated he is concerned about service to the public. Chairman Vanderlaan suggested that management/employees/labor organizations work together on these issues in order to provide greater efficiencies in the areas of reorganization or consolidation. He said he would encourage all districts to put forward "greater cooperation for the public good."

This was an information item and the staff took note of the working group's comments.

There being no further business to come before the working group, the meeting adjourned at 11:35 a.m., to a meeting date of Monday, February 2, 2004, directly following the Local Agency Formation Commission meeting, Rooms 302-303, County Administration Center.

**Jan Bryson**  
**Executive Assistant**