

**SAN DIEGO LAFCO  
MINUTES OF THE REGULAR MEETING  
APRIL 7, 2003**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairwoman Dianne Jacob. Also present were: Regular Commissioners – Councilmember Patty Davis, Councilmember Donna Frye, Councilmember Jill Greer, Bud Pocklington, Andrew Vanderlaan and Ron Wootton; Alternate Commissioners – Harry Mathis, and Andrew Menshek (who entered at 9:03 a.m.); LAFCO and County Staff – Executive Officer Michael Ott, Local Governmental Analyst Shirley Anderson, and LAFCO Counsel William Smith. Absent were: LAFCO Commissioner – Supervisor Bill Horn; and Alternate Commissioner – Supervisor Greg Cox.

**Item 1**

**Approval of Minutes  
of Meeting Held March 3, 2003**

On motion of Commissioner Vanderlaan, seconded by Commissioner Greer, the commissioners dispensed with reading the minutes of March 3, 2003, and approved said minutes.

**Item 2**

**Executive Officer's Recommended Agenda Revisions**

Michael Ott indicated there were no revisions to the agenda.

**Item 3**

**Public Comment**

No members of the public requested to speak.

**Item 4**

**Proposed "CMS Development, Inc. Industrial Park  
Reorganization" (City of Escondido) (RO02-34)**

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

- (1) Certified that the information contained in the Mitigated Negative Declaration prepared by the City of Escondido has been reviewed and considered; and
- (2) Adopted the form of resolution approving this reorganization 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 reorganization.

**Item 5**

**Proposed “Jeffrey James Annexation” to the Whispering Palms Community Services District (DA03-02)**

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

- (1) Certified that the determination by the Whispering Palms Community Services District that this annexation is exempt by Section 15319 of the State CEQA Guidelines has been reviewed and considered; and
- (2) Adopted the form of resolution approving this annexation with modified boundaries 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 condition:

Payment of LAFCO Annexation fees and State Board of Equalization charges.

**Item 6A**

**Adoption of an Amendment to the Sphere of Influence for the Valley Center Municipal Water District (SA02-09)**

**Item 6B**

**Proposed “Podrasky/Ohlson Annexation” to the Valley Center Municipal Water District (DA02-09)**

Chairwoman Jacob opened the public hearing.

Michael Ott introduced Shirley Anderson, who presented a brief staff report.

With no members of the public wishing to speak in support or opposition of this item, on motion of Commissioner Pocklington, seconded by Commissioner Wootton, and carried unanimously by the commissioners present, the Commission closed the public hearing, and took the following actions:

- (1) Certified that the determination by the Valley Center Municipal Water District that this sphere amendment and annexation are exempt by Section 15319(a) of the State CEQA Guidelines has been reviewed and considered;
- (2) Adopted a minor amendment to the sphere of influence for the Valley Center Municipal Water District to include the territory as shown on the attached map, and adopt the written Statement of Determinations as proposed in Exhibit A; and
- (3) Adopted the form of resolution approving the minor sphere amendment and 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 terms and conditions:

- (a) Annexation to the Metropolitan Water District (MET) and the San Diego County Water Authority (CWA) subject to the terms and conditions of both MET and CWA.
- (b) Payment of Valley Center MWD, MET, CWA, and State Board of Equalization fees.

**Item 7A**  
**Adoption of an Amendment to the Sphere of Influence for the Vallecitos Water District (SA02-35)**

**Item 7B**  
**Proposed “Virginia Place Annexation” to the Vallecitos Water District (DA02-35)**

This was an information item and no action was required.

**Item 8A**  
**Adoption of an Amendment to the Sphere of Influence for the Spring Valley Sanitation District (SA03-03)**

**Item 8B**  
**Proposed “Elms Annexation” to the Spring Valley Sanitation District (DA03-03)**

This was an information item and no action was required.

**Item 9**  
**Proposed “Vermeulen Annexation” to the Lakeside Sanitation District (DA03-05)**

This was an information item and no action was required.

**Item 10**  
**2003-04 Legislative Report**

Michael Ott discussed AB 192 (Harman) – Noncontiguous City Annexations, indicating that this bill would allow cities to annex noncontiguous territory not exceeding 300 acres if the territory is owned by the city and is used for municipal purposes. Mr. Ott said the hearing was scheduled to be heard by the Assembly Local Government Committee on March 26, 2003, but has been rescheduled to April 30, 2003. Mr. Ott indicated he would return to the Commission with an update on this bill after Senate Local Government hearing on April 30.

Mr. Ott discussed AB 208 (Harman) – Successor Agencies, indicating that there has been new activity on this item. Mr. Ott said that the California Association of Water Agencies strongly opposes this bill, because the bill provides LAFCO with additional powers and authority regarding dissolution of agencies. Mr. Ott said this is a CALAFCO sponsored bill, and that CALFCO is considering a major re-write of this bill. Mr. Ott is recommending that the Commission adopt a “Watch” position on this bill.

Mr. Ott introduced Harry Ehrlich, who is representing the California Special Districts Association (CSDA), who said that CSDA has taken a position in opposition to this bill. He encouraged the Commission to adopt a “Watch” position on this bill.

Commissioner Wootton indicated that the CALAFCO Board would be discussing AB 208 (Harman) at their April 25<sup>th</sup> meeting.

Mr. Ott discussed AB 520 (Salinas) – Santa Cruz County Effective Date and indicated the Commission should continue to “Watch” this bill.

Mr. Ott said AB 1385 (Haynes) – County Water Authority Detachment – would provide that any detachment of lands from a county water authority shall maintain capacity rights in any public improvements or facilities necessary for the continued delivery of water to the detached lands. Mr. Ott indicated that AB 1385 is sponsored by the Economic Study Group of North San Diego County, and that agencies within the study group have become disenchanted with the governance process and quality of decisions made by the San Diego County Water Authority. Mr. Ott said he is recommending the Commission adopt a watch position on this bill. However, he indicated that if AB 1385 is not amended to provide discretion over the imposition of terms and conditions, he would recommend that the Commission oppose the bill at the May LAFCO meeting.

Dan Hentschke, representing the San Diego County Water Authority, addressed the Commission, and indicated the San Diego County Water Authority Board of Directors has taken an official position opposing AB 1385. Mr. Hentschke said issues of concern to LAFCO relate to the manner in which detachments from the Water Authority would be handled and processed by the Water Authority and by LAFCO. He indicated the bill would impose a mandatory requirement for a detaching agency to retain capacity rights in the Water Authority’s delivery system. He said the Water Authority currently operates its water supply system for the benefit of all member agencies to assure member agencies have adequate supplies of water to meet their needs. Mr. Hentschke said the bill would fundamentally alter the way the Water Authority operates its system and would interfere with its ability to provide water within San Diego County. Mr. Hentschke said the San Diego County Water Authority Board of Directors is not asking LAFCO to specifically consider opposing this bill, but to take into consideration the limitations on LAFCO’s authority to impose terms and conditions on a detachment, and on the Water Authority’s ability to impose terms and conditions on a detachment. Mr. Hentschke said this bill would give capacity rights to agencies that leave the Water Authority that are in excess of those that the remaining member agencies have. Mr. Hentschke said the issues that give rise to this legislation are issues that need to be resolved within the Water Authority boardroom. He said there are issues in the bill related to the manner in which the Water Authority conducts its voting; the current voting structure is a result of a committee evaluation within

the Water Authority in 1997, and a unanimous action by the Board of Directors to adopt the existing voting structure. He said there might be dissatisfaction with these issues, but these issues do not concern LAFCO. He said the Water Authority has established a subcommittee of their Board of Directors to address these governance issues.

Regarding the “capacity rights issue,” Alternate Commissioner Mathis asked Mr. Hentschke if there was a water shortage and it was necessary to curtail the delivery of water to the County Water Authority, would the detached agencies still have entitlement to full capacity?

Mr. Hentschke said that under this legislation detached agencies would have entitlement to capacity, but they would not have entitlement to water. He said that in a shortage there are agencies further south in San Diego County that may need the water, and that the County Water Authority might need to use capacity rights at certain time to deliver water necessary to operate the system. Mr. Hentschke said it would interfere with the ability of the County Water Authority’s capability to deliver water.

Mr. Mathis asked if the detached agencies would have an entitlement over and above what the pro-rata share would be to the member agencies, at the expense of member agencies?

Mr. Hentschke said it is uncertain at this time what the effect would be in a shortage, and that because they would have a statutorily mandated capacity, the Water Authority Board of Directors would not have the ability to manage the system, and that it could create rights greater in the agencies that detached from the system than the remaining member agencies.

Responding to a comment from Mr. Mathis, Mr. Hentschke said that, at the present time, the Water Authority is litigating some of the financial issue concerns.

Gary Arant, Valley Center Municipal District, addressed the Commission, and said that regarding the capacity rights issue, the original AB 1385 was introduced as a way, upon detachment of certain agencies from the Water Authority, to recognize the financial contribution of those agencies that pay, which would translate into the form of capacity in the system. Mr. Arant said that he has discussed LAFCO’s concerns with Mr. Ott that the language would be directive rather than advisory, and that Government Code Section 56886 addresses allocation of property rights. Mr. Arant said this could be covered under the context of property allocation. Mr. Arant said that a specific reference to pipeline capacity would be a good addition to the code section. Mr. Arant said he understands LAFCO’s concerns, but that it was not the intent to take away the discretion of LAFCO, but to recognize the fact that if one or more agency(ies) were to leave the Water Authority, there should be some way to recognize the significant financial contribution that those agencies have made to the Water Authority. He said it is important to note the bill has been amended, and when it goes to Committee, it will carry with it a governance model that mirrors that of SANDAG’s recently implement government structure. Mr. Arant said he would like to see the SANDAG system implemented at the Water Authority. Mr. Arant said they were interested primarily in staying with the Water Authority, and working out governance issues, etc., and said he was happy to hear the Water Authority has

established a subcommittee on governance issues. Mr. Arant said the study group was interested in amending the bill to remove LAFCO's concerns.

Chairman Jacob said this bill will be placed on the next agenda to review its progress, and to discuss whether or not the Commission will take a position on this legislation. She said she would encourage anyone who has an interest in this legislation to attend the next LAFCO meeting on May 5, 2003.

Mr. Ott discussed SB 66 (Omnibus Bill) – Borrego Water District, which relates to the Borrego Water District and Borrego Springs Park Community Services District. He said that staff is recommending the Commission continue to "Watch" this bill.

Mr. Ott discussed SB 282 (Oller) – El Dorado County Incorporation Expenses, and indicated the CALAFCO Legislative Committee is opposing this bill. He said that staff is recommending the Commission "Watch" the bill until the Executive Board has an opportunity to consider its Legislative Committee's recommendation.

On motion of Commissioner Pocklington, seconded by Commissioner Greer, and carried unanimously by the Commissioners present, the Commission adopted a position of "Watch" on AB 208 (Harman).

There being no further business to come before the Commission, the meeting adjourned at 9:27 a.m. to the May 5, 2003 meeting, in Room 358, County Administration Center.

**JAN BRYSON**  
**Executive Assistant**