

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
FEBRUARY 6, 2017**

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Mayor Sam Abed. Also present were: Regular Commissioners – Vice Chairwoman Jo MacKenzie; Special District Member; Supervisor Bill Horn; Supervisor Dianne Jacob; City Councilmember Lorie Zapf (arrived at 9:08 a.m.); Special District Member Ed Sprague and Public Member Andy Vanderlaan. Alternate Commissioners – City Commissioner Mayor Racquel Vasquez (arrived at 9:02 a.m.) and Special District Member Judy Hanson. LAFCO Staff – Executive Officer Michael Ott; Chief Analyst Robert Barry; Local Governmental Analyst Joe Serrano; Chief, Government Services Ingrid Hansen and Legal Counsel Holly Whatley. Absent were: Alternate Commissioners – Supervisor Greg Cox; City Councilmember Chris Cate and Public Member Harry Mathis.

Item 1

Pledge of Allegiance

Vice Chairman Jo MacKenzie led the Pledge of Allegiance at the meeting.

Item 2

Roll Call

The Commission Clerk performed the roll call for the February 6, 2017, LAFCO meeting. With the exception of Alternate Commissioners: Supervisor Greg Cox; City Councilmember Chris Cate and Public Member Harry Mathis, all other Commissioners were present. Alternate City Commissioner Mayor Racquel Vasquez voted in place of the vacant City Commissioner position.

Item 3

Approval of Minutes of Meeting Held December 5, 2016

On motion of Commissioner MacKenzie, seconded by Commissioner Sprague, and carried unanimously by the Commissioners present, the Commission dispensed with reading the minutes of December 5, 2016 and approved said minutes.

Item 4

Executive Officer's Recommended Agenda Revisions

Chairman Sam Abed asked the Executive Officer if there were any agenda revisions. Executive Officer Michael Ott said that there were no agenda revisions.

Item 5

Commissioner / Executive Officer Announcements

Chairman Sam Abed asked the Executive Officer if there were any announcements. Mr. Ott indicated there were no announcements..

a. Presentation of Service Recognition Plaque to Director of Legislative Research and Local Government Consultant Harry Ehrlich

Chairman Sam Abed presented two Recognition of Service plaques to Commissioners Bill Horn and Andy Vanderlaan and one Recognition of Service plaque for former Commissioner Lorraine Wood, who was not present at the meeting, in recognition of their years of service as LAFCO's Commissioners.

Item 6

Proposed "OSI Trailers Annexation to the San Diego County Sanitation District

Executive Officer Michael Ott indicated that Local Governmental Analyst Joe Serrano will provide a staff presentation. Mr. Serrano presented the proposal to the Commission regarding the annexation to the San Diego County Sanitation District for sewer services. He indicated the subject territory is approximately 4.96 acres and is located within the District's adopted sphere of influence. Mr. Serrano informed the Commission that the territory is currently undeveloped and proposed to include the construction of a 6,775 square foot (sq ft) office building, a 2,300 sq ft warehouse/retail building, and a 920 sq ft vehicle wash facility; and that the remaining land (73,549 sq ft and 132,414 sq ft) will be landscaped and paved for 35 parking spaces.

On motion of Commissioner Jacob, seconded by Commissioner MacKenzie, 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(b) of the State CEQA Guidelines, the proposed annexation is not subject to the environmental impact evaluation process because the annexation area consists of an individual small parcel of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures; and,
- (2) Adopt the form of resolution approving the 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 term and condition:

Payment by the property owner of District annexation and sewer capacity fees.

Item 7

Proposed/Final FY 2017-18 LAFCO Budget

Executive Officer Michael Ott presented the proposed/final FY 2017-18 LAFCO Budget to the Commission. Mr. Ott indicated that proposed budget is presented earlier this year due to requests from the local agencies so that they can incorporate costs accordingly into their budgets. He also informed the Commission that an accelerated budget hearing schedule will also assist the County Auditor who is responsible for the development of the cost apportionment and collection of funds from the local agencies on behalf of LAFCO per Government Code Section 56381.

Mr. Ott provided information of the net budget increase of \$56,535 proposed for FY 2017-18. He also noted that the gross budget figure for FY 2017-18 budget increased by \$2,845 from the previous year and the minor increase was due to savings from under-filled budgeted positions and from cost reductions. He provided an overview of the FY 2017-18 workload components on major projects that LAFCO staff will be conducting throughout the next fiscal year. Mr. Ott also provided informational data to the Commission on the interactive website and the tracking activity information now available.

Chairman Abed opened the public hearing on Item 7 and asked if there were any requests from the public who would like to speak to the Commission regarding this item.

After receiving no request for public comments, Chairman Abed closed the public hearing for Item 7.

On motion of Commissioner Sprague, seconded by Commissioner Vasquez, and carried unanimously by the Commissioners present; the Commission took the following actions:

- (1) Adopt the Proposed/Final FY 2017-18 Budget and direct the Executive Officer to implement all related budget recommendations in the staff report, including but not limited to:
 - (a) Direct the County Auditor/Chief Financial Officer to request payment from the Board of Supervisors and each city and independent district no later than July 1 for the amount owed and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity (Government Code Section 56381).
 - (b) Authorize the Executive Officer and the County Auditor/Chief Financial Officer to determine an appropriate method of collecting the required payment if payment is not remitted within 60 days. Per State Law, the Executive Officer may request the Auditor to collect an equivalent amount from the property tax or any fee or eligible revenue owed to the County, city, or district. Any expenses incurred by the Commission or Auditor in collecting late payments shall be added to the payment owed the Commission

(Government Code Section 56381(c)). Request the Auditor to use the budget adoption date as the basis for selecting the most recent editions of the accounting publications that must be used under State Law to prepare the cost apportionment allocation.

- (c) Authorize the Executive Officer to remove the “commitment” of \$175,000 of trust fund 46725 monies when and if these funds are transferred into LAFCO’s operating account.
- (d) Ratify the continuation of the fund balance designations and amount of funds contained within each designation for application in FY 2017-18 LAFCO Budget.
- (e) Direct the Executive Officer to make conforming changes to LAFCO’s fund balance designations based on amounts added to or removed from associated fund balance accounts, and to advise the Commission upon making such changes.
- (f) Authorize the transfer of unspent funds from LAFCO’s FY 2016-17 and FY 2017-18 Budgets to Accounts 46725, 46726, or 46727 and direct the Executive Officer to inform the Commission of the amount of the fund transfer during the quarterly budget update.
- (g) Authorize the Executive Officer to retain a commitment designation for \$100,000 (Account 46725) in FY 2017-18 for proposed jurisdictional reorganizations involving County Islands 2-4; Julian-Cuyamaca FPD; CSA No. 17; CSA No. 115; and Alpine FPD, and the commitment of \$75,000 (Account 46725) for litigation expenses.

Item 8

**Proposed “Colucci Qualified Trust Reorganization”
to the Vallecitos Water District**

This item was for information purposes only and no action was required.

Item 9

**Second Quarter FY 2016-17 Executive Officer
Self – Approved Expense Claims Report**

Executive Officer Michael Ott indicated that there were no self–approved reimbursement claims to report during the second quarter of FY 2016-17.

The Commission received and filed the Second Quarter Self–Approved Expense Claims Report.

Item 10

2016 Sphere of Influence and Municipal Service Review Summary of Actions

Ingrid Hansen, provided an overview of the 2016 Sphere of Influence and Municipal Service Review Summary of Actions to the Commission.

The Commission accepted and approved the 2016 Sphere of Influence and Municipal Service Review Summary of Actions.

Item 11

Correspondence from LAFCO Legal Counsel Regarding 2017 Gift Limit Changes and Supreme Court Decision Affecting Attorney-Client Privilege

LAFCO Legal Counsel, Holly Whatley, summarized to the Commission the recent changes regarding gift limit provisions for 2017-18 under the Political Reform Act and a recent Supreme Court decision affecting the scope of attorney-client privileges.

This item was for information purposes and no action was required.

Item 12

Public Comment

Chairman Sam Abed 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 13

**CLOSED SESSION: ADJOURNED TO CLOSED
SESSION TO CONFERENCE WITH
LEGAL COUNSEL PURSUANT TO SUBDIVISION (D)
OF GOVERNMENT CODE SECTION 54956.9 – REGARDING
LITIGATION WITHIN THE RESPONSIBILITY OF THE SAN DIEGO LAFCO**

Legal Counsel Holly Whatley provided an update to the Commission on Item 13 in open session regarding litigation in the matter of *City of Coronado v. San Diego LAFCO and City of Imperial Beach*. Ms. Whatley reported that the City of Imperial Beach filed a cross-complaint against the Department of the Navy and the Navy removed it to Federal court. Coronado filed a procedural challenge trying to remove the cross-complaint against the Navy. The State court action has been “stayed” now that it has been transferred to Federal court. The City of Imperial Beach exercised their right to amend

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their cross-complaint before the Court. She indicated that Coronado immediately re-filed a similar motion to the new complaint which has not been heard by the court. She indicated that there would still be some Federal jurisdiction. She also mentioned that some ongoing settlement discussions are occurring and she could not discuss them at this time.

There being no further business to come before the Commission, the meeting adjourned at 9:38 a.m. to the March 6, 2017 meeting, in Room 302, County Administration Center.

**RUTH ARELLANO
EXECUTIVE ASSISTANT
SAN DIEGO LOCAL AGENCY COMMISSION FORMATION**