

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
MARCH 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 – 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 – Supervisor Greg Cox (left at 9:38 a.m.); City Commissioner Mayor Racquel Vasquez (arrived at 9:08 a.m.) and Special District Member Judy Hanson Public Member Harry Mathis. LAFCO Staff – Executive Officer Michael Ott; Chief Analyst Robert Barry; Local Governmental Analyst Joe Serrano; and Legal Counsel Holly Whatley. Absent were: Regular Commissioners: Supervisor Bill Horn; Special District Member, Jo MacKenzie. Alternate Commissioners –City Councilmember Chris Cate.

Item 1

Pledge of Allegiance

Alternate Commissioner Judy Hanson led the Pledge of Allegiance at the meeting.

Item 2

Roll Call

The Commission Clerk performed the roll call for the March 6, 2017, LAFCO meeting. With the exception of Commissioners: Supervisor Bill Horn; Special District Member Jo MacKenzie; and Alternate Commissioner: City Councilmember Chris Cate, all other Commissioners were present. It was noted, Alternate Commissioner Mayor Racquel Vasquez will vote in place of the vacant City Commissioner position; Alternate Commissioner Greg Cox will vote in place of Commissioner Bill Horn; and Alternate Commissioner Judy Hanson will vote in place of Commissioner Jo Mackenzie.

Item 3

Approval of Minutes of Meeting Held February 6, 2017

On motion of Commissioner Sprague, seconded by Commissioner Jacob, and carried unanimously by the Commissioners present, the Commission dispensed with reading the minutes of February 6, 2017 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.

Item 6A

Adoption of an Amendment to the Sphere of Influence of the Olivenhain Municipal Water District (SA16-19(a))

Item 6B

Adoption of an Amendment to the Sphere of Influence of the Olivenhain Municipal Water District for Sewer Expansion (SA16-19(b))

Item 6C

Proposed "Heritage Bluffs II Project Latent Powers Sewer Expansion" (Olivenhain Municipal Water District) (LPE(S)16-19)

Item 6D

Proposed "Heritage Bluffs II Project Annexation" to the Olivenhain Municipal Water District

Executive Officer Michael Ott indicated that the staff presentation for Agenda Items 6A-D could be waived by the Commission. The Commission chose to waive the staff presentation.

Chairman Abed opened the public hearing for Items 6A–D and indicated there were no public members at the meeting requesting to speak to the Commission on these items. The public hearing was then closed for Items 6A-D.

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

1. Certify pursuant to Section 15091 of the State CEQA Guidelines, that the Commission has reviewed and considered the attached Supplemental Environmental Impact Report (SEIR). The mitigation measures included in the attached resolution of approval of the City of San Diego for the impacts identified in the attached SEIR have been adopted by the City of San Diego, and the

mitigation is within the jurisdiction of the City of San Diego and not LAFCO because the affected resources and services are within the city limits;

2. Amend the two spheres of influence of the Olivenhain Municipal Water District and adopt the written Statement of Determinations as shown in Exhibit A;
3. 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 terms and conditions:
 - a. SPIC Del Sur, LLC will be required to pay all applicable sewer capacity and annexation fees, and all other fees and charges of the District in accordance with the District's rules and regulations.
 - b. SPIC Del Sur, LLC is required to provide all fee sites and easements as required by the District for construction of on-site and off-site facilities as required by the District, in its sole discretion.
 - c. SPIC Del Sur, LLC is required to construct all on-site and off-site sewer facilities as required by the District, in its sole discretion. All sewer facilities shall be built in accordance with District approved plans and specifications and shall be dedicated to the District.
 - d. A Supplemental Final Environmental Impact Report is certified by the City of San Diego for the project with no challenges within the time frame authorized by law, or, if there is a challenge, that the Supplemental Final Environmental Impact Report be upheld by a court of competent jurisdiction.
 - e. SPIC Del Sur, LLC complete a sewer study showing the impacts of the Project is approved by the District.
 - f. SPIC Del Sur, LLC will pay the District for all staff time, engineer's time, attorney fees, and consulting fees and costs incurred in the effort to obtain this approval.
 - g. SPIC Del Sur, LLC will be required to comply with all LAFCO terms and conditions and to pay all LAFCO fees and charges.

Item 7A

Adoption of Amendments to the Spheres of Influence for the County Service Area No. 83, Rancho Santa Fe Fire Protection District and the Rancho Santa Fe Community Services District (SA16-03(a); SA16-03(b); SA16-03(c))

Item 7B

**Proposed “Rancho Serena-Van Ackeren Reorganization”
(City of Encinitas Detachment) (RO16-03)**

Executive Officer Michael Ott indicated that the staff presentation for Agenda Items 7A-B could be waived by the Commission. The Commission chose to waive the staff presentation for these items.

Chairman Abed opened the public hearing on Items 7A-B 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 Items 7A-B.

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

- (1) Concur in the determination by the City of Encinitas that this reorganization is exempt from CEQA review pursuant to Section 15319(b) of the State CEQA Guidelines because the reorganization involves annexation of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures; and,
- (2) Amend the coterminous sphere of influence of County Service Area No. 83 and adopt the written Statement of Determinations as shown in Exhibit A; and,
- (3) Amend the larger-than-agency sphere of influence of the Rancho Santa Fe Community Services District and adopt the written Statement of Determinations as shown in Exhibit B; and,
- (4) Amend the conterminous sphere of influence of the Rancho Santa Fe Fire Protection District and adopt the written Statement of Determinations as shown in Exhibit C; and,
- (5) Approve the proposed “Rancho Serena - Van Ackeren Reorganization” involving detachment of the proposal area from the City of Encinitas with concurrent annexations to County Service Area No. 83; the Rancho Santa Fe Community Services District; and the Rancho Santa Fe Fire Protection District; and,
- (6) Adopt the form of resolution approving the sphere amendments and 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 subject to the following conditions: None

Item 8**Administrative Approval of a Contractual Services Agreement: City of Vista/Sanbury, Inc., in association with the Curtis Drive Reorganization (OAS/RO16-14)**

Executive Officer Michael Ott indicated that the staff presentation for this item is waived and no action is required.

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

Item 9**Fiscal Year 2015-16 LAFCO Audit**

Michael Ott provided a brief report to the Commission regarding the FY 2015-16 LAFCO Audit and leave balance review. He reported that the audit was confirmed and the Commission completed FY 2015-16 under budget by \$133,000. Mr. Ott indicated that Jennifer Farr, co-partner of Davis Farr will provide an overview of the FY 2015-16 LAFCO Audit to the Commission.

Jennifer Farr presented the audit results and financial statements for FY 2015-16 to the Commission. Ms. Farr informed the Commission that the LAFCO audit was completed and reported that the LAFCO accounting records were in excellent shape. She also stated that they did not find any material weaknesses or significant deficiencies or instances of noncompliance in the key or internal controls.

Ms. Farr indicated testing on travel expenses was performed for this audit and there were no findings as a result of those tests. She reported that there was a rotation in the primary audit personnel and two offsetting corrections were necessary in the prior year financial statements and are indicated in the financial statements report.

Commissioners Abed, Vanderlaan and Zapf and Alternate Commissioner Hanson commented on how well the Audit has been performed by staff and Davis Farr LLP.

The Commission received and filed the Fiscal Year 2015-16 LAFCO Audit.

Item 10**Fiscal Year 2017-18 LAFCO Budget Resolution**

Mike Ott indicated this item is to ratify the draft budget resolution for Fiscal Year 2017-18 that was presented at the Commission meeting on February 6, 2017.

Item 10**Fiscal Year 2017-18 LAFCO Budget Resolution (Cont.)**

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

- (1) Reviewed and ratified the FY 2017-18 LAFCO Budget resolution.
- (2) Direct the Executive Officer to transmit the LAFCO budget resolution to the membership categories represented on the Commission.

Item 11**Draft Unincorporated Islands Work Program**

Michael Ott informed the Commission that Robert Barry will provide the Draft Unincorporated Islands Work Program and a PowerPoint presentation to identify what tasks will be involved how to identify areas meeting the criteria and how to proceed with the outreach components associated with the program.

Robert Barry presented the Draft Unincorporated Islands Work Program to identify the proposed tasks and analysis for the program to the Commission. Mr. Barry indicated a key feature of the Work Program is a feedback loop to allow the Commission to curtail any or all tasks based on local agency support/opposition and interest in the Unincorporated Islands Program.

Commissioners Abed, Jacob, Zapf and Alternate Commissioner Cox provided comments regarding the amount of illogical areas to be identified; inequities; providing services to residents; and the costs of services.

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

- Reviewed and approved the Draft Unincorporated Island Work Program.

Item 12**Legislative Update Report**

Harry Ehrlich provided a Legislative update to the Commission on the following activity:

AB464 – (Gallagher) – Local government reorganization. Sponsored by CALAFCO to address a situation in current law wherein Government Code Section 56653 does not address certain conditions of services currently provided when a plan for services is submitted for an annexation. A position on the bill may be included in the next report.

Item 12

Legislative Update Report (Cont.)

AB645 (Quirk) – Local government: dissolution. This bill is reported to be a “spot bill” pending the outcome of a special study by Alameda LAFCO of the Eden Healthcare District in Alameda County. Staff will continue to track it closely.

AB979 (Lackey) Cortese-Knox-Hertzberg Act: Special district representation on LAFCO. This bill is a spot bill sponsored by CSDA and to be co-sponsored by CALAFCO addressing the procedure for special districts to propose to hold an election on having representation on a commission. Staff will be monitoring the discussion of the bill and will present it for a position at a future meeting.

The Commission received the Legislative Update Report.

Item 13

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 14

**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 14 in open session regarding litigation in the matter of *City of Coronado v. San Diego LAFCO and City of Imperial Beach*. Ms. Whatley provided an update to the Commission regarding last month’s report regarding the involvement of the Navy resulting in the case being moved to Federal Court. She stated that settlement discussions are taking place. Ms. Whatley indicated there is no action required by the Commission at this time.

There being no further business to come before the Commission, the meeting adjourned at 9:45 a.m. to the April 3, 2017 meeting, in Room 302, County Administration Center.

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