

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
MARCH 7, 2016**

3

There being a quorum present, the meeting was convened at 9:00 a.m. by Chairman Supervisor Bill Horn. Also present were: Regular Commissioners – Vice Chairman Mayor Sam Abed; City Councilmember Lori Zapf; Special District Member Jo MacKenzie and Public Member Andy Vanderlaan. Alternate Commissioners – City Councilmember Racquel Vasquez and Public Member Harry Mathis. LAFCO Staff – Executive Officer Michael Ott; Local Government Analyst Joe Serrano; LAFCO Consultant John Traylor; LAFCO Consultant Jennifer Farr and Legal Counsel Michael Colantuono. Absent were: Regular Commissioners – Supervisor Dianne Jacob and City Councilmember Lorraine Wood. Alternate Commissioners – Supervisor Greg Cox; City Councilmember Chris Cate and Special District Member Ed Sprague.

Item 1

Pledge of Allegiance

Vice Chairman Sam Abed led the Pledge of Allegiance at the meeting.

Item 2

Roll Call

The Commission Secretary performed the roll call for the March 7, 2016, LAFCO meeting. With the exception of Regular Commissioner Supervisor Dianne Jacob and City Councilmember Lorraine Wood, Alternate Commissioner Supervisor Greg Cox, Councilmember Chris Cate, and Special District Member Ed Sprague, all other Commissioners were present. Alternate Commissioner Racquel Vasquez, voted in place of Commissioner Lorraine Wood, who was absent.

Item 3

Approval of Minutes of Meeting Held February 1, 2016

On motion of Commissioner Abed, second by Commissioner Vanderlaan, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of February 1, 2016 and approved said minutes.

Item 4

Executive Officer's Recommended Agenda Revisions

Chairman Bill Horn asked the Executive Officer if there were any agenda revisions. Executive Officer Michael Ott indicated that there were no agenda revisions.

Item 5

Commissioner / Executive Officer Announcements

Chairman Bill Horn asked the Executive Officer if there were any announcements. Executive Officer Michael Ott said that there were handouts presented to the Commission: (1) a letter from the San Diego County Fire Districts Association in support of agenda Items 6A-6C and (2) Notification about the Special Districts Election results for commission and advisory committee positions.

Mr. Ott indicated that the LAFCO Special District Member election ballots were completed and that Alternate Commissioner Ed Sprague was elected to serve as a regular special district member and eight nominees were elected to serve on the special districts advisory committee. He also said that there will be a run-off election for the alternate position between Judy Hanson (Leucadia Wastewater District) and Dennis Sanford (Rainbow Municipal Water District).

Mr. Ott said that the time extension ballot for the regular LAFCO special district member positions were granted to both Commissioner Jo MacKenzie with a term expiring in 2020 and Commissioner Ed Sprague with a term expiring 2019.

Item 6A

**Municipal Service Review and Sphere of Influence
Review of Fire Protection and Emergency Medical
Services within the Rancho Santa Fe Fire Protection
District and County Service Area No. 107 (Elfin Forest /
Harmony Grove) (MSR13-61; SR13-61; MSR13-84; SR13-84; SR14-15))**

Item 6B

**Adoption of an Amendment to the Sphere of Influence
For the Rancho Santa Fe Fire Protection District (SA14-15)**

Item 6C

**Proposed “Rancho Santa Fe Fire Protection District
Reorganization: Dissolution of County Service Area
No. 107 (Elfin Forest / Harmony Grove) and Annexation
to the Rancho Santa Fe Fire Protection District (RO14-15)**

Chairman Horn opened the public hearing for Items 6A, 6B and 6C.

Michael Ott indicated that agenda Items 6A, 6B and 6C are related to the Rancho Santa Fe Fire Protection District Reorganization and dissolution of County Service Area No. 107 (Elfin Forest / Harmony Grove) and annexation of territory of County Service Area No. 107 to the Rancho Santa Fe Fire Protection District. Mr. Ott said that Joe Serrano will provide a PowerPoint presentation.

Joe Serrano, Local Governmental Analyst, provided a PowerPoint presentation to the Commission regarding the Rancho Santa Fe Fire Protection District Reorganization and dissolution of County Service Area No. 107 (Elfin Forest / Harmony Grove) and annexation to the Rancho Santa Fe Fire Protection District. Mr. Serrano provided an overview of the Rancho Santa Fe Fire Protection District Reorganization.

Mr. Serrano indicated that the proposal involves municipal service reviews, sphere of influence reviews and a sphere amendment, designation of special study areas, district dissolution, and modifications to eliminate two unserved islands. He said the reorganization will dissolve County Service Area No. 107 (Elfin Forest / Harmony Grove) and annex the dissolved territory of County Service Area No. 107 to the Rancho Santa Fe Fire Protection District and a recommended modification will include annexation of 341 additional acres to the Rancho Santa Fe Fire Protection. He said that these changes of organization would improve delivery of fire protection, emergency medical services, fire prevention, and public education and will also ensure the continuation of these services within the unincorporated San Dieguito area.

Chairman Horn indicated that there were several speaker slips received in support to agenda Items 6A, 6B and 6C.

Tony Michel, Fire Chief, Rancho Santa Fe Fire Protection District, addressed the Commission, in support of the items.

Frank Twohy, Fire Chief, County Service Area No. 107 (Elfin Forest / Harmony Grove) Volunteer Fire Department, addressed the Commission, in support of the items.

Jacqueline Arsvavd, Representative, Elfin Forest Town Council, addressed the Commission, in support of the items.

Jim Whalen, Representative, County Service Area No. 107 (Elfin Forest / Harmony Grove), addressed the Commission, in support of the items.

Jim Depolo, Board Member, Eflin Forest / Harmony Grove Volunteer Fire Department, addressed the Commission, in support of the items.

Byron N. Macfarlane, Board Member, Elfin Forest / Harmony Grove Volunteer Fire Department, addressed the Commission, in support of the items.

Greg Thomas, General Manager, Rincon del Diablo Municipal Water District, addressed the Commission, in support of the items. Mr. Thomas also commented about the process followed for the reorganization.

David Drake, Board President, Rincon del Diablo Municipal Water District, addressed the Commission, in support of the items.

Commissioner Vanderlaan thanked LAFCO staff and congratulated both districts for a successful reorganization.

Commissioner Abed asked about the financial deficit of the \$2.2 million to \$1.9 million decrease. In response, to the question Mr. Ott said that there was an existing agreement between the County and Rancho Santa Fe Fire Protection District to address the deficit.

Alternate Commissioner Vasquez thanked LAFCO staff for the report and appreciated hearing support from the community.

With no further discussion from the public or commission Chairman Horn closed the public hearing.

With no further speakers from the public and no discussion from the Commission, on motion of Commissioner Horn, seconded by MacKenzie, and carried unanimously by the commissioners present, the Commission took the following actions:

(1) Find in accordance with Executive Officer's determination, that the reorganization consisting of dissolution County Service Area No. 107 (Elfin Forest / Harmony Grove) and annexation of the same territory to Rancho Santa Fe Fire Protection District as well as the associated sphere amendment for Rancho Santa Fe Fire Protection District are found to be exempt under Sections 15320 (Categorical Exemption) and 15378(b)(5) of the State CEQA Guidelines for the following reasons: the proposed jurisdictional changes do not change the geographical area in which previously existing powers are exercised, and the reorganization is an organization or administrative activity.

(2) Find in accordance with the Executive Officer's determination, that the Sphere of Influence Reviews, Special Study Areas designation, and annexation of previously unserved island areas totaling 341 acres shown as Areas 1B and 2 on Map A are found to be exempt under Section 15061(b)(3) (General Rule Exemption) of the State CEQA Guidelines for the following reason: it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity no subject to CEQA.

(3) Find in accordance with the Executive Officer's determination, that the Municipal Service Review is found to be exempt under the Categorical Exemption, Section 15306 of the State CEQA Guidelines. The project is considered exempt for the following reason: the service review consists of data collection and research that will not result in a disturbance to an environmental resource. The project is strictly for information gathering purposes and is part of a study leading to an action that has not yet been approved, adopted or funded.

(4) Approve the review, affirmation / update, and amendment of associated sphere of influence municipal service review, plus the assignment of and sphere of influence special study area designations for Areas 1A and 3–5 among all affected agencies per Map B, subject to the written Statement of Determinations (Exhibits D and E) for the reason set forth in the Executive Officer's report.

(5) Determine that per Government Code Section 56425(i), the written statements on file specifying the nature, location, and extent of any functions or classes of services provided by County Service Area No. 107 and Rancho Santa Fe Fire Protection District will be consolidated with the written statements on file and that the Rancho Santa Fe Fire Protection District shall have all the powers and authorities of County Service Area No. 107 with respect to the nature, location, and extent of those functions or classes of services within subject reorganization area.

(6) Determine that the proposed reorganization of County Service Area No. 107 and Rancho Santa Fe Fire Protection District is consistent with the recommended sphere of influence and service review.

(7) Approve the reorganization proposal as modified for the reasons set forth in the Executive Officer's report to include all territory within County Service Area No. 107 and annexation of Areas 1B and 2, as shown on Map A.

(8) Find in accordance with the Executive Officer's determination, that pursuant to Government Code Sections 56885.5 and 56886(o), the approval of the reorganization of the Rancho Santa Fe Fire Protection District and County Service Area No. 107 is conditioned on the initiation of the annexation of territory to County Service No. 17 (San Dieguito Ambulance).

(9) Conclude that Rancho Santa Fe Fire Protection District has provided an adequate Plan for Service demonstrating that as a successor to the County Service Area No. 107, it will be able to deliver all of the services at service levels no less than those provided by County Service Area No. 107; that Rancho Santa Fe Fire Protection District can provide services at the public service costs less than or substantially similar to the costs of County Service Area No. 107.

(10) Find that the reorganization is subject to an exchange of property taxes associated with the subject proposal was approved by the Board of Supervisors on December 16, 2015.

(11) Find in accordance with the Executive Officer's determination, that pursuant to Government Code Sections 57000(c), 577077.1(a), and 57077.4, delegate to the Executive Officer to conduct protest proceedings and to order the dissolution subject to the Terms and Conditions in Exhibit C without confirmation of the voters except that if the dissolution meets the requirements of Section 57077.4 to order the dissolution subject to an election based upon the submittal of written protests meeting specified thresholds.

Item 7

FY 2014–15 LAFCO Audit

Michael Ott provided a brief report to the Commission regarding the FY 2014-15 LAFCO Audit and leave balance review. He said that the Commission completed FY 2014-15 under budget by \$65,517. Mr. Ott said that the audit confirmed the transfer of the trust fund monies to the operating accounts that were approved for the fire agency reorganizations, island elimination, and document management program. Mr. Ott indicated that Jennifer Farr, co-partner of Davis Farr LLP (formerly known as Mayer Hoffman McCann–MHM P.C.) will provide an overview of the FY 2014-15 LAFCO Audit to the Commission.

Jennifer Farr presented the audit findings to the Commission. Ms. Farr informed the Commission that the LAFCO audit was completed and reported that there were no disagreement and no corrections or exceptions noted.

Ms. Farr also provided information to the Commission regarding the new Government Accounting Standards Boards (GASB) requirements there were applied to portions of the audit for FY 2014-15. She said that the new requirements for GASB Nos. 67 and 68 required that public agencies must report their net pension liabilities that show the financial obligations breakdown for current and former employees of past services that were rendered. Mr. Farr indicated that implementation of this new accounting requirement GASB has increased LAFCO's net pension obligation by \$893,715 compared to FY 2013-14; she said that this will not affect the funds the Commission has put in the trust with the County of San Diego's treasury.

On motion of Commissioner Vanderlaan, seconded by Alternate Commissioner Vasquez, and carried unanimously by the commissioners present, the Commission took the following action:

- (1) Receive a presentation from LAFCO staff and Jennifer Farr, and;
- (2) Receive and file LAFCO's FY2014-15 Audit and leave balance review prepared by Davis Farr LLP.

Item 8

Public Comment

Chairman Horn 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 9

**CLOSED SESSION: ADJOURNED TO CLOSED
SESSION (IF NECESSARY) 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 Michael Colantuono informed the Commission that Item 9 will be considered in closed session regarding litigation in the matter of *City of Coronado v. San Diego LAFCO and City of Imperial Beach*.

Commissioner Horn adjourned the regular meeting at 9:43 a.m. to a closed session in Room 302 of the County Administration Center.

The Commission received Mr. Colantuono's report and reconvened the closed session to an open session at 9:50 a.m. Upon reconvening to an open session, Legal Counsel Mr. Colantuono announced that there was no reportable action that took place during the closed session.

There being no further business to come before the Commission, the meeting adjourned at 9:53 a.m. to the April 4, 2016 meeting, in Room 302, County Administration Center.

**TAMARON LUCKETT
ADMINISTRATIVE ASSISTANT**