

**APPROVED
SAN DIEGO LAFCO
MINUTES OF THE REGULAR MEETING
OCTOBER 3, 2016**

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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; Supervisor Dianne Jacob (9:03 a.m.); City Councilmember Lori Zapf (9:05 a.m.); Special District Member Jo MacKenzie and Ed Sprague and Public Member Andy Vanderlaan. Alternate Commissioners – City Councilmember Racquel Vasquez (9:04 a.m.) and Public Member Harry Mathis. LAFCO Staff – Executive Officer Michael Ott; Local Government Analyst Joe Serrano; LAFCO Consultant Harry Ehrlich and Legal Counsel Holly Whatley. Absent were: Regular Commissioner – City Councilmember Lorraine Wood. Alternate Commissioners – Supervisor Greg Cox and City Councilmember Chris Cate.

Item 1

Pledge of Allegiance

Commissioner Jo MacKenzie led the Pledge of Allegiance at the meeting.

Item 2

Roll Call

The Commission Clerk performed the roll call for the October 3, 2016, LAFCO meeting. With the exception of Regular Commissioner City Councilmember Lorraine Wood, Alternate Commissioners Supervisor Greg Cox and Councilmember Chris Cate, 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 August 1, 2016

On motion of Commissioner Abed, second by Commissioner MacKenzie, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of August 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 announced that LAFCO Consultant Harry Ehrlich was elected to the Borrego Water District Board.

Item 6

**Proposed “1117 Eolus Avenue–Scott Annexation”
to the Leucadia Wastewater District**

Michael Ott indicated that the proposal involves an annexation of a parcel totaling 0.48-acre to the Leucadia Wastewater District and that the property owner wants to obtain water services to a parcel constructed with a single-family residence.

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

- (1) Concur in the determination by the Leucadia Wastewater District that this annexation is exempt from CEQA review pursuant to Section 15319(a) of the State CEQA Guidelines because the proposal area contains existing structures and is developed to the density allowed by current zoning/prezoning of either the gaining or losing governmental agency (whichever is more restrictive), and any utility extensions would only have capacity to serve existing structures; and
- (2) Adopt the form of resolution approving this 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 conditions:

Payment by the property owners of district capacity fees and sewer service fees, and State Board of Equalization charges.

Item 7A

**Adoption of an Amendment to the Sphere of Influence
for the Helix Water District (SA16-04)**

Item 7B

**Proposed “Teresa Long–San Miguel Avenue Annexation”
to the Helix Water District (DA16-04)**

Chairman Horn opened the public hearing for Items 7A and 7B.

Michael Ott indicated that the proposal involves a sphere amendment and annexation to an undeveloped parcel totaling 0.94-acre to the Helix Water District and that the property owner wants to obtain sewer service. At the request of Michael Ott, the Commission waived the staff presentation.

Chairman Horn closed the public hearing and indicated that there were no speaker slips received regarding these items.

With no speaker received slips from the public and no discussion from the Commission, on motion of Commissioner MacKenzie, seconded by Commissioner Vanderlaan 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 annexation is not subject to the environmental impact evaluation process because the annexation area consists 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 sphere of influence of the Helix 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 term and condition:

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

Item 8

Legislative Update Report

Harry Ehrlich, LAFCO Consultant, provided an update and summary report regarding several legislative bills to the Commission. He indicated that 2,331 bills were signed and 118 vetoed. Mr. Ehrlich said that LAFCO will focus on several bills as follows:

AB 2470 (Gonzalez): Municipal Water Districts: Provision of Water Service to Indian Tribal Lands

This bill is related to Indian Tribal Lands requesting that municipal districts provide the same rights of water service. LAFCO adopted a Watch position. The Governor signed the bill on September 12, 2016. This bill will become law effective January 1, 2017.

SB 1318 (Wolk): Local government: Drinking water infrastructure or services; wastewater infrastructure or services

This bill is related to extended prohibition of annexation of areas greater than 10 acres where there exists areas designated as disadvantaged unincorporated communities (DUC) to a "qualified special district", defined as serving 500 or more service connections by amending Government Code Section 56375. LAFCO sent a letter of opposition and the bill did not pass.

AB 2910 (Committee on Local Government): Local Government: organization; Omnibus Bill

This bill is related to non-controversial updates and changes to the Cortese-Knox-Hertzberg Act. LAFCO sent a letter of a support position. The bill was signed by the Governor on August 22, 2016.

SB 1266 (McGuire): Joint Exercise of Powers Act; Filings

This bill is related to any Joint Power Authority or Joint Power Agency and notification to LAFCO. Mr. Ehrlich indicated that LAFCO has no oversight authority of a JPA except over the local agencies that may be members. This bill was signed by the Governor on August 22, 2016 and the law will be effective in July 2017.

Mr. Ehrlich said that LAFCO will develop a policy or procedure associated with the new law.

Little Hoover Commission Hearing on Special Districts on August 25, 2016

Mr. Ehrlich indicated that a hearing was held regarding Special Districts. He said that information will be provided once the material is distributed. He indicated that another hearing will be held in November. The Committee will focus on the Hospital District roles and service responsibilities and finances.

Commissioner Abed asked about the hospital issues related to LAFCOs. Mr. Ehrlich said that the Little Hoover Commission Committee will be focusing on Health Care Districts to help resolve these issues.

Supervisor Jacob asked that LAFCO keep the Commission updated regarding this Little Hoover Commission Committee bill.

The Commissioners present took the following action:

Receive this Legislative Report Update and provide direction to staff on the identified legislative bills as appropriate.

Item 9A

**San Diego LAFCO East County Fire Protection Committee Report
Ratification of a resolution establishing an ad hoc Advisory Committee
regarding two pending competing proposals to reorganize County
Service Area No. 115 (Pepper Drive)**

Item 9B

Mid-year LAFCO Budget Adjustment

Michael Ott addressed the Commission regarding the resolution for the ad hoc East County Fire Protection Committee. He explained that the ad hoc advisory committee was established to help with service and financial review associated with a proposed reorganization involving two fire protection districts [San Miguel Consolidated and Lakeside and County Service Area No. 115 (Pepper Drive)]. Mr. Ott indicated that both districts submitted an application to dissolve County Service Area No. 115 and annex the same territory. Mr. Ott said that the Commission could not approve two proposals that conflict each other per Government Code Sections 56655 and 56657, unless a modification was done to one of the proposals. He also said that the annexation

of the same territory into both districts would result in duplication and overlap of service responsibilities.

Mr. Ott said that he is recommending an increase in the Commission's appropriation by \$100,000 (Account 52370: Professional Services) and the associated commitment and allocation of \$100,000 of funds in Account 46725 to support the review and processing of the reorganization of County Service Area No. 115 (Pepper Drive).

Commissioner Jacob concurred with the Executive Officer's recommendations (nos. 1–3).

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

- (1) Ratify the resolution establishing an ad hoc advisory committee regarding two pending, competing proposals to reorganize County Service Area No. 115.
- (2) Obtain comments from the ad hoc committee on cost estimates for LAFCO support to process the San Miguel Consolidated and Lakeside FPD reorganization applications as a joint application and authorize the Executive Officer to make necessary appropriations adjustments (increases and decreases) and fund transfers not to exceed \$100,000.
- (3) Direct the Executive Officer to notify the Commission about any appropriations and fund transfers made per Recommendation No. 2.

Item 10

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 11

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 informed the Commission that Item 11 will be considered in closed session regarding litigation in the matter of *City of Coronado v. San Diego LAFCO and City of Imperial Beach*.

Michael Ott addressed the Commission that with Commissioner Wood's absence that Alternate Commissioner Vasquez would be able to attend the closed session.

Commissioner Horn adjourned the regular meeting at 9:15 a.m. to a closed session in Room 306A of the County Administration Center.

The Commission received Ms. Whatley's report and reconvened the closed session to an open session at 9:35 a.m. Upon reconvening to an open session, Legal Counsel Ms. Whatley announced that there is a reportable action and that the Commission has decided to file a cross-complaint against the Department of the Navy and that the cross-complaint is considered a friendly lawsuit that is brought by a defendant against a party when that party was not named in the original lawsuit for the related cause of action.

There being no further business to come before the Commission, the meeting adjourned at 9:37 a.m. to the November 7, 2016 meeting, in Room 302, County Administration Center.

**TAMARON LUCKETT
EXECUTIVE ASSISTANT
SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**