

**APPROVED  
SAN DIEGO LAFCO  
MINUTES OF THE REGULAR MEETING  
MARCH 2, 2015**

There being a quorum present, the meeting was convened at 9:00 a.m. by Vice Chairman Sam Abed. Also present were: Regular Commissioners – Supervisor Dianne Jacob; Special District Member Jo Mackenzie; City Councilmember Lorraine Wood; City Councilmember Lori Zapf (arrived 9:10 a.m.); and Public Member Andy Vanderlaan. Alternate Commissioners – Special District Member Ed Sprague; City Councilmember Racquel Vasquez. LAFCO Staff – Executive Officer Michael Ott; Local Government Analyst Robert Barry; LAFCO Consultant Harry Ehrlich; and Legal Counsels Michael Colantuono and Rachel Witt. Absent were: Regular Commissioner: Chairman/Supervisor Bill Horn. Alternate Commissioners Public Member Harry Mathis; Supervisor Greg Cox; and City Councilmember Chris Cate.

**Item 1**

**Roll Call**

The Commission Secretary performed the roll call for the March 2, 2015, LAFCO meeting. With the exception of Chairman/Commissioner Bill Horn and Alternate Commissioners Greg Cox, Harry Mathis and Chris Cate, all other Commissioners were present. Alternate Special District Member, Ed Sprague voted in place of the vacant Special District Member seat on the Commission.

**Item 2**

**Approval of Minutes of Meeting Held February 2, 2015**

On motion of Commissioner MacKenzie, seconded by Alternate Commissioner Sprague, and carried unanimously by the Commissioners present; the Commission dispensed with reading the minutes of February 2, 2015 and approved said minutes.

**Item 3**

**Commissioner / Executive Officer Announcements**

Executive Officer Michael Ott informed the Commission that Administrative Assistant, Alyssa Dronenburg will be leaving LAFCO to join a professional softball club in Holland. The Commission wished her well in her new endeavors. Mr. Ott also reminded the Commissioners regarding their Form 700 (Conflict of Interest Form) due date to submit to the LAFCO office or to file online by the last week of March 2015.

#### **Item 4**

##### **Executive Officer's Recommended Agenda Revisions**

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

#### **Item 5**

##### **Public Comments**

Vice Chairman Sam Abed asked the public if anyone requested to speak on an item that is not related. He indicated that there were no speaker slips received from members of the public for comments.

#### **Item 6**

##### **Proposed "Bluestone Drive – Smith Annexation" (San Diego County Sanitation District) (DA14-18)**

At the request of Michael Ott, the Commission waived the staff presentation.

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 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) 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 7****Administrative Approval of a Contractual Service agreement:  
City of La Mesa/Von Rudgisch-Ballas Living Trust. (OAS14-14)**

Robert Barry provided information to the Commission about an Administrative Approval of a Contractual Service Agreement with the City of La Mesa and property owners, Von Rudgisch-Ballas Living Trust, associated with one single-family residence to extend sewer service beyond its boundary and sphere of influence that utilizes an unpermitted existing connection.

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

**Item 8****FY 2013-14 LAFCO Audit**

Michael Ott indicated that Jennifer Farr, partner, Mayer Hoffman McCann, P.C., (MHM) will provide an overview of the FY2013-14 LAFCO Audit to the Commission.

Jennifer Farr presented the audit findings to the Commission. Ms. Farr informed the Commission that MHM has completed the LAFCO Audit and reported an unmodified audit opinion as of February 4, 2015. Ms. Farr indicated that is the best rating for reporting standards and that LAFCO has achieved full compliance required by Government Auditing Standards. Ms. Farr also reported there were no changes identified as being necessary to the Commission's internal controls nor were there any deficiencies.

Ms Farr provided LAFCO's status on the following items related to the 2013-14 Audit review: Financial statements and transactions; equity, revenues and expenditures; assets and liabilities; standard internal accounting practices; and the new leave accounting system and paid time off accruals. She indicated there were no changes or recommendations to any of these internal controls.

Ms. Farr informed the Commission about the new requirements for the upcoming year regarding implementation of the GASB Statement No. 68 which requires pension liability to be reported on the financial statement. She indicated there may be a delay the Audit due to the timing and coordination with the County Auditor & Controller Office to provide LAFCO's portion of their pension liability calculations.

Ms. Farr thanked LAFCO staff for their preparation and assistance during the audit process.

Commissioners Jacob, MacKenzie, Wood, Chairman Abed, Michael Ott, Legal Counsel Michael Colantuono, commented on pension liabilities and obligations, County Retirement Association and Auditor and Controller calculations; significance of the audits; deadlines; transparency; and MHM's contract term.

Vice Chairman Abed thanked Michael Ott and the LAFCO staff for their outstanding audit preparation and performance throughout the year and the positive report received from MHM confirming that LAFCO is in full compliance.

The Commission unanimously received, accepted and filed LAFCO's FY 2013-14 Audit Report from Mayer Hoffman and McCann, P.C.

#### **Item 9**

#### **Appointment of LAFCO Legal Counsel Pursuant to Government Code Sections 56384(b) and 56380**

Vice Chairman Abed introduced LAFCO's Legal Counsels, Michael Colantuono and Rachel Witt and the LAFCO staff recommended appointments. Vice Chair Abed asked if the commissioners present have any questions prior to formalizing the new appointments. There were no questions or comments from the Commission.

Michael Ott provided a brief background history of the two attorneys present: Michael Colantuono, Colantuono, Whatley & Highsmith, P.C.; and Rachel Witt, Office of County Counsel. Mr. Ott indicated that the current arrangement with Mr. Colantuono as LAFCO's Legal Counsel and Ms. Witt as the Special Counsel has been working effectively and expressed the importance of having nexus with the County.

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

Pursuant to Government Code Sections 56384(b) and 56380, appoint Michael Colantuono (Colantuono, Whatley, and Highsmith, PC) as the Commission's General Legal Counsel and Rachel Witt (Office of County Counsel), as the San Diego LAFCO's Special Counsel, effective March 2, 2015, respectively.

**Item 10****2014 Sphere of Influence and  
Municipal Service Review Summary of Actions**

Ingrid Hansen provided an annual update of the 2014 Sphere of Influence and Municipal Service Review Summary of Actions to the Commission.

The Commission unanimously reviewed, accepted and approved the 2014 Sphere of Influence and Municipal Service Review Summary of Actions.

**Item 11****2015 Legislative Status Report**

Harry Ehrlich provided an update regarding the status of the most recent state legislation activities to the Commission. Mr. Ehrlich informed the Commission about three bills that LAFCO staff is recommending a support or watch position:

SB 25 (Roth) – Support. Modifications regarding reduction of Vehicle License Fee (VLF) revenues. CALAFCO has taken a support position to this bill.

AB 3 (Williams) – Watch. Intends to provide a placeholder for amendments to legislation to create a new Community Services District in Santa Barbara County to provide wastewater services.

AB168 (Mainschein) – Watch. Placeholder bill pertaining to the Revenue and Taxation Code regarding property tax revenue allocations.

On motion of Commissioner Zapf, seconded by Commissioner Wood, and carried unanimously by the commissioners present, the Commission took the following action:

Receive, and provide direction, as necessary on the 2015 Legislative Status Report and authorize staff to provide a letter of support to the author in regards to SB 25.

There being no further business to come before the Commission, the meeting adjourned at 9:35 a.m. to the April 6, 2015 meeting, in Room 302, County Administration Center.

**Ruth Arellano  
Administrative Assistant  
San Diego Local Agency Formation Commission**