San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
Public Hearing | Action

May 6, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
Michaela Peters, Local Government Analyst I

SUBJECT: **Proposed "Sky Ranch Change of Organization" | Detachment from Helix Water District and Conforming Sphere of Influence Amendment (LAFCO File No. CO23-13)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal initiated by resolution of the Padre Dam Municipal Water District (MWD). The proposal seeks Commission approval to detach approximately 26.5 acres of incorporated territory within the City of Santee from the Helix Water District (WD). The affected territory as submitted is presently developed with 27 single-family residences and ancillary improvements – including public right-of-way segments and dedicated open space – that is part of the Sky Ranch Subdivision. The proposal's purpose is to eliminate an existing overlap between Padre Dam MWD and Helix WD and in doing so make explicit that Padre Dam MWD is the authorized water service provider going forward. Staff recommends conditional approval of the proposal with a conforming sphere amendment, delegate protest proceedings to the Executive Officer, and find the project is exempt under CEQA Guidelines Section 15061(b)(2) and (3). It is also recommended the Commission waive Policy L-106 and its provisions that would otherwise require a new municipal service review to inform the sphere amendment given the last study of record is more than five years old.

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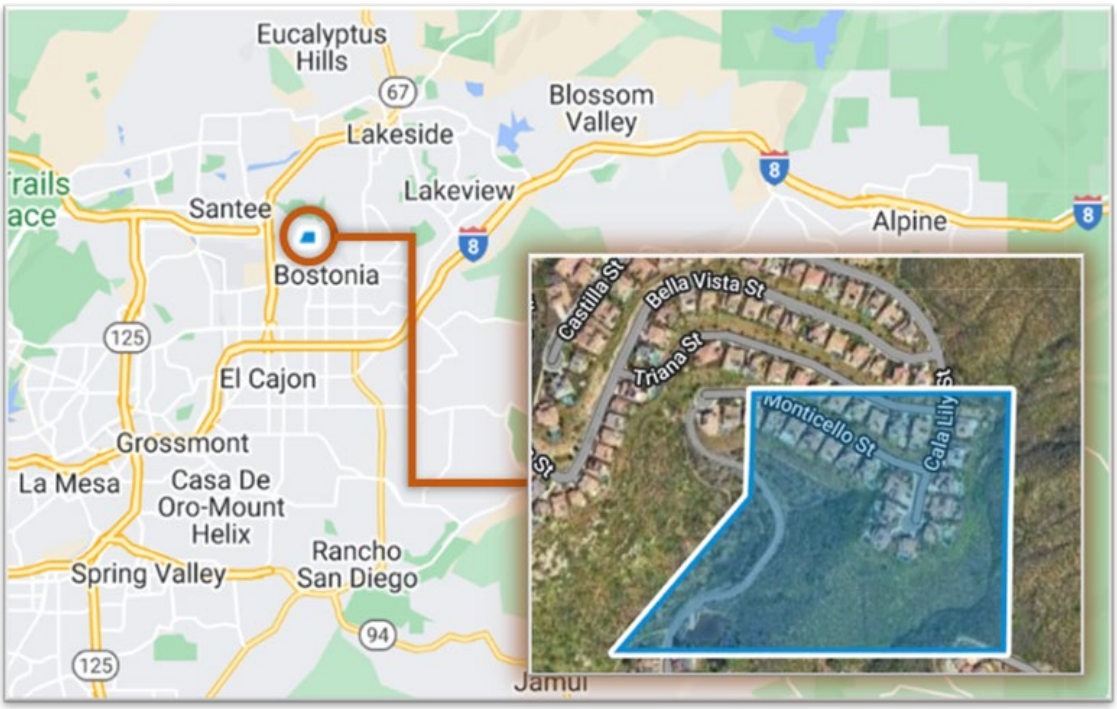
BACKGROUND

Applicant Request

San Diego LAFCO has received a change of organization proposal initiated by a resolution of the Padre Dam MWD requesting approval to detach approximately 26.5 acres of incorporated territory lying within the City of Santee from Helix WD. The affected territory as submitted comprises one contiguous area containing all and/or portions of 38 legal parcels. Within the affected territory there are 27 existing single-family residences and related improvements – including the public right-of-way segments of Cala Lily Street, Triana Street, and Monticello Street as well as dedicated open space – that are part of the Sky Ranch Subdivision.[1] The proposal also necessitates a concurrent sphere amendment to Helix WD to exclude the entire affected territory. The Padre Dam MWD will continue providing both water and wastewater service to the affected territory following detachment should it be approved.

Regional Setting

The affected territory lies in eastern San Diego County and entirely within the City of Santee which generally lies east of Interstate 125, south of State Route 67, and north of Interstate 8. All of the affected territory lies within County Supervisorial District No. 2 (Joel Anderson), Assembly District No. 75 (Marie Waldron), and Senate District No. 40 (Brian W. Jones). An aerial map of the affected territory and its regional setting follows. Attachment One shows the affected territory relative to the proposed boundary change involving Helix WD.



[1] The subject parcels are divided between 21 whole legal parcels and 17 partial legal parcels.

Subject Agency

The proposed change of organization filed with San Diego LAFCO involves one subject agency: Helix WD.[2] A summary of the subject agency in terms of governance, resident population, municipal functions, and financial standing follows.

- **Helix WD** is an independent special district established in 1913 and governed by an elected five-member board[3]. Administration is delegated to an appointed general manager – Brian Olney – who oversees a current full-time budgeted staff of 152. Helix WD currently provides two active municipal service functions: potable water and parks and recreation. The jurisdictional boundary spans approximately 31,552 acres or 49.3 square miles and is generally divided between the Cities of El Cajon on the north, La Mesa on the east, Lemon Grove on the southeast, and a small portion of Santee on the south. LAFCO estimates the overall resident population within Helix WD at 276,817. LAFCO most recently reviewed and affirmed Helix WD's sphere in 2007 with a smaller-than-agency designation. The most recently prepared audit shows Helix WD's net position at $323.3 million as of June 30, 2023. This accrued amount reflects an overall three-year change of 17.4% with an unrestricted portion of $56.1 million. The total cash balance at the end of the last audited year totals $42.2 million and is equivalent to covering 7 months of recent actual operating costs.[4]

Affected Local Agencies

The affected territory presently lies within the jurisdictional boundaries and/or spheres of influence of eight local agencies directly subject to San Diego LAFCO's planning and regulatory responsibilities. These agencies qualify as "affected agencies" relative to the proposed change of organization and listed below.[5]

- City of Santee
- County Service Area No. 135 (Regional Communications)
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- Padre Dam Municipal Water District
- Resource Conservation District of Greater San Diego County
- San Diego County Water Authority

The affected territory also lies within the following school and college districts, and accordingly have received notice of the proposal as part of the administrative review: Grossmont Union High School District; Santee School District; and Grossmont – Cuyamaca Community College District.

2 State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
3 Helix WD originally formed in 1913 as the La Mesa, Lemon Grove, and Spring Valley Irrigation District and after subsequent reorganizations became the Helix WD in 1956.
4 Helix WD's actual operating expense as listed in the most recent audit tallies $72.5 million.
5 State law defines "affected local agency" as any entity that contains, or would contain, or whose sphere contains or would contain, any territory for which a change of organization is proposed or ordered. Notice of the proposal and hearing were provided to the agencies.

DISCUSSION

This item is for San Diego LAFCO to consider approving – with or without discretionary modifications – the change of organization proposal to detach the affected territory from Helix WD. The Commission may also consider applying approval conditions so long as it does not directly regulate land use, property development, or subdivision requirements. Additional discussion on purpose, current and planned land uses, and Commission focus follows.

Proposal Purpose

The purpose of the proposed change of organization before San Diego LAFCO is to eliminate an existing overlap between two public potable water service providers and in doing so better align the respective service areas consistent with both agencies' current and planned infrastructure. The change of organization would make explicit under State Law via LAFCO that Padre Dam MWD is the designated water provider for the affected territory going forward. The timing of the proposal ties to the culmination of lengthy discussions between Padre Dam MWD and Helix WD with the latter interested in moving forward now to help resolve confusion among ratepayers who receive notices from both agencies.

Current and Planned Land Uses

The entire affected territory is incorporated, inhabited, and largely developed with residential uses consistent with the City of Santee's land use policies. The present land use designation applied to the affected territory is Low-Density Residential (R-1) and (R1-A) which provide one-to-two dwelling units per acre or two-to-four dwelling units per acre, respectively. The affected territory is zoned as Residential with a minimum lot size ranging between 8,000 – 15,000 square feet – or 0.18 to 0.34 acres. The affected territory is currently developed to the maximum intensity as allowed under the current Santee land use and zoning designations with the latter established in 2005 as part of the Sky Ranch Subdivision approval. Additional details on the existing development are provided in the accompanying footnote.[6] No development plans or related improvements are associated with the proposed change of organization proposal.

Commission Focus

Three central and sequential policy items underlie San Diego LAFCO's consideration of the proposed change of organization. These policy items take the form of determinations and orient the Commission to consider the stand-alone merits of (a) sphere of influence amendment, (b) timing of the change of organization itself, and (c) whether modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in, and outside LAFCO law as further detailed in the proceeding section.

[6] In 2005, the City of Santee approved a tentative subdivision map involving the development plans associated with the affected territory and commonly known as the "Sky Ranch" community. The approval granted the construction of 224 single-family residences as well as 149 multi-family residences. To date, the Sky Ranch community consists of 148 townhomes and 209 single-family residences.

ANALYSIS

San Diego LAFCO's analysis of the proposed change of organization is divided into two subsections. The first subsection pertains to evaluating the central issues referenced in the preceding section relative to both statutory and local policy considerations. The second subsection considers other germane issues and is highlighted by applicability under the California Environmental Quality Act (CEQA).

Central Policy Items

Item No. 1 |
Conforming Sphere of Influence Amendment

The proposed change of organization necessitates San Diego LAFCO to consider a conforming sphere of influence action for the subject agency specific to the affected territory to achieve consistency with the requested jurisdictional changes as required under statute and practice. Consideration of the amendment involves removing the entirety of the affected territory from the Helix WD sphere. This amendment is premised on LAFCO's overall statutory responsibility to designate spheres to demark the affected agencies' appropriate jurisdictional boundary and/or service areas now and into the immediate future as determined by the Commission.

With the above scope in mind, the proceeding analysis is organized to consider three related factors necessitated under statute and local policy. The statutory factors relate to an informing municipal service review along with addressing the general relationship between the subject agency and the affected territory.[7] Local policies involve consideration of L-102 and its provisions to guide sphere actions in San Diego County.

- Sphere Factor No. 1:
  Consideration of a Municipal Service Review

  Statute requires LAFCO to prepare municipal service reviews to inform its related task to regularly review and update all local agencies' spheres of influence. The statute further directs LAFCO to perform sphere updates every five years as needed. The most recent series of municipal service reviews prepared by LAFCO, germane to the affected territory and affected/subject agencies, was completed in 2007. Requiring one or more new municipal service reviews – however, and specific to informing the proposed change of organization – does not appear warranted. This conclusion ties to the relatively limited scope of the amendment and the nature of the underlying request (i.e., detachment from Helix WD to facilitate the elimination of an overlapping boundary).

7 Reference to Government Codes 56430 and 56425, respectively.

- Sphere Factor No. 2:
  Consideration of the Agency-Affected Territory Relationship

  The Legislature prescribes consideration of five factors anytime LAFCOs act on spheres of influence. These factors parallel the macro topics in municipal service reviews with a generalized focus on the relationship between the subject agency and the affected territory – including service needs and adequacy of available services. The factors also orient the Commission to broadly consider the relationship between current and planned land uses in the affected territory plus – and as needed – effects on qualifying disadvantaged unincorporated communities. The factors and staff analysis follow.

  - With respect to **present and planned land uses,** the affected territory as submitted comprises 26.5 acres of incorporated territory within the City of Santee and part of the Sky Ranch Subdivision. The affected territory is presently developed with 27 single-family residential units and dedicated open space consistent with the City of Santee Zoning Ordinance and assigned uses as Low-Density Residential. These present and planned uses are readily compatible with the conforming amendment.

  - With respect to the **present and probable need for one or more public services,** the portion of the affected territory subject to the conforming sphere amendment is presently connected to Padre Dam MWD's public water system in support of its current development. The present and continued need for public water via Padre MWD is readily compatible with the conforming amendment.

  - With respect to the **overall adequacy of the agencies' public services,** a 2007 municipal service review on the Padre Dam MWD attests to the overall sufficiency of resources (infrastructure, finances, etc.) to continue to provide water throughout its existing service area. Additional analysis on the ability of Padre Dam MWD to continue service to the affected territory subject to the conforming sphere amendment is included in the proceeding section. The overall adequacy of the water system is readily compatible with the conforming amendment.

  - With respect to **social or economic communities of interest if relevant to the agencies,** the affected territory subject to the conforming sphere amendment has no current and/or planned need for municipal services provided by Helix WD. This lack of existing and anticipated communities of interest with Helix WD provides consistency with the conforming amendment.

  - With respect to the **present and probable need for services involving any disadvantaged unincorporated communities,** none of the affected territory qualifies under the LAFCO statute.

- Sphere Factor No. 3:
  Consideration of Policy L-102

  San Diego LAFCO's policies guiding sphere of influence actions are primarily codified under L-102. This policy was adopted in August 1990 and last substantively updated in June 2000. It directs the Commission to utilize spheres to guide deliberations on future changes of organizations and in doing so – and among other growth management objectives – help reflect and preserve community identities. The policy further directs LAFCO to use spheres to discourage duplication of municipal services and similarly encourages local agency consolidations, whether functional or political. The amendment necessary to accommodate the proposed change of organization to remove the affected territory from the Helix WD sphere conforms with L-102. Most directly, the amendment would eliminate duplicative jurisdictional boundaries and consolidate public water service responsibility under Padre Dam MWD going forward.

CONCLUSION |
MERITS OF A CONFORMING SPHERE OF INFLUENCE AMENDMENT

The conforming amendment to remove the affected territory from Helix WD's sphere of influence to accommodate the proposed change of organization is sufficiently justified under both statute and local policy. Justification is marked by the preceding analysis and largely premised on the following two policy factors. First it is assumed the Commission determines a new municipal service review is not necessary given the otherwise negligible service impacts associated with the detachment and a waiver is appropriate. Second, it is assumed the transition of the affected territory out of Helix WD's sphere would correct an overlap in the jurisdictional boundaries between Helix WD and Padre Dam MWD and in doing so, better align the service areas with existing infrastructure.

Item No. 2 |
Change of Organization's Timing

San Diego LAFCO's consideration of the proposed change of organization's timing draws on analyzing baseline factors required in statute as well as applicable policies set by the Commission. Most of the baseline factors in statute focus on disclosing and otherwise addressing compatibility issues with external goals and policies of other state, regional, and local agencies as well as assessing the ability of subject agencies to provide services going forward.[8] Applicable local policies prompted for consideration are headlined by L-107 and its attention to disclosing and/or addressing any known or perceived jurisdictional disputes.

An analysis of these two related timing factors follows.

8 Reference to Government Code Section 56668.

- Timing Factor No. 1:
  Baseline Considerations: Regional Policies + Service Relationships

  State law prescribes the mandatory consideration of certain and multifaceted factors anytime LAFCOs consider jurisdictional changes. These factors range in substance from disclosures – such as the affected territory's current land uses, assessed values, registered voter counts, and so on – to discretionary analyses. This latter category is highlighted by evaluating the proposed detachment's relationship to community needs as well as the service capacities and related financial resources of the receiving agency. A summary of key conclusions generated in reviewing these discretionary matters for the proposed change of organization regarding (a) service needs, (b) service availability and capacities, and (c) related financial considerations follow.

  - With respect to **service needs**, the affected territory's existing residential uses presently receive public water from Padre Dam MWD. The need for this service is expected to continue indefinitely. Detachment of the affected territory from Helix WD eliminates an unnecessary overlap and in doing so syncs Padre Dam MWD and Helix WD's boundaries to better align with their existing infrastructure.

  - With respect to **service availability and capacities,** Padre Dam MWD maintains adequate infrastructure to meet current and anticipated potable water demands (retail) with available capacity to continue to meet current service demands in the affected territory at its existing and planned uses. Materially, the present existing average day potable water flow demand generated within the affected territory is 0.011 million gallons. This amount represents approximately one-tenth of one percent – or 0.14% – of Padre Dam MWD's existing flow demands with the District separately having 4.19 million gallons of remaining capacity available to accommodate new demands going forward.

  - With respect to **related financial considerations**, Padre Dam MWD has adequate financial resources and related administrative controls to continue to provide water service to the affected territory. This comment is reflected in staff analysis of recent audited statements, which shows Padre Dam MWD having established relatively healthy levels of liquidity and capital, highlighted by an ending current ratio of 8.6 to 1 and a debt ratio of 24.9%, respectively, as of June 30, 2024. These measurements provide reasonable assurances of Padre Dam MWD's overall favorable short and long-term financial outlook.

- Timing Factor No. 2:
  Consideration of Policy L-107

  San Diego LAFCO adopted L-107 in May 2010 to require all applicants to disclose jurisdictional disputes or related items that are associated with their proposal filings. Any prior jurisdictional disputes between Padre Dam MWD and Helix WD regarding the mechanics of initiating a proposal with LAFCO have been resolved with Padre taking

the lead. LAFCO staff, similarly, has not identified any disputes or related concerns involving other local agencies in the administrative review. [9]

CONCLUSION |
MERITS OF CHANGE OF ORGANIZATION TIMING

The timing of the change of organization to detach the affected territory from Helix WD is warranted. Justification is marked by the preceding analysis and appropriately serves to designate Padre Dam MWD as the exclusive public water service provider for the affected territory and in doing so sync to existing infrastructure investments. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 3 |
Modifications and Terms

No modifications to the submitted change of organization have been identified by San Diego LAFCO staff meriting Commission consideration at this time. This includes confirmation the detachment of the affected territory would not generate any corridors and/or otherwise illogical jurisdictional features for the subject agency. Staff is recommending standard terms of approval and marked by tasking the applicant (Padre Dam) to cover all final filing costs.

CONCLUSION |
MODIFICATIONS AND TERMS

No modifications appear warranted. Standard approval terms are recommended and include receipt of all remaining payments associated with the processing of the proposal by the Commission through recordation.

Other Statutory Considerations

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before San Diego LAFCO can consider any jurisdictional change unless an applicable master agreement applies. The associated statutes also empower the County of San Diego to make all related property tax exchange determinations on behalf of special districts. Staff has confirmed the County Board of Supervisors has adopted a master agreement to govern the tax exchange for the proposed

9 If applicable, and unless waived by the Executive Officer, the policy requires applicants and/or their representatives to consult with opponents to resolve any known issues – concerns, disputes, etc. – before the item is formally considered by the Commission.[9] If an agreement is reached through the consultation process, the policy states the Commission shall consider the provisions as part of the application. If an agreement is not reached despite exhausting good-faith efforts, the policy states the Commission shall proceed to consider the application as submitted.

change of organization. The master agreement specifies no transfer of property taxes would occur following the detachment of the affected territory from Helix WD.

Environmental Review

San Diego LAFCO is obligated under CEQA to assess whether environmental impacts would result from activities approved under the Commission's authority, either as a lead or responsible agency. The Commission is tasked with making two distinct findings under CEQA in consideration of the proposed change of organization. Staff's analysis follows.

- San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. It is recommended the Commission find this action – and specifically, the amendment of the Helix WD's sphere to exclude the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself do not change the environment or authorize any new uses or services.

- Padre Dam MWD serves as lead agency under CEQA for considering the physical effects of the change of organization as the initiating party. In this role as lead agency, Padre Dam has determined the change of organization – and specifically the detachment of the affected territory from Helix WD – is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15320 given the proposed change of organization involves the detachment of the affected territory from Helix WD to consolidate the Sky Ranch Development into one service provider and does not change the geographic location in which previous existing powers were exercised. Staff independently believes this is a reasonable determination and as responsible agency, concurs with Padre Dam MWD's finding.

Protest Proceedings

An approval of the change of organization by San Diego LAFCO would require protest proceedings under Government Code Section 57000. As allowed under State Law and further contemplated under local policy, it is recommended the Commission delegate these proceedings to the Executive Officer and hold a noticed hearing to accept any written objections filed by registered voters and/or landowners within the affected territory. The following threshold would apply in valuing protests and determining next steps:

- Should less than 25.0% of (a) registered voters and/or (b) landowners holding less than 25% of the assessed value of land within the affected territory file written protests, the reorganization will be ordered without an election.

- Should 25.0% to 50.0% of (a) registered voters and/or (b) landowners holding 25.0% to 50.0% of the assessed value of land within the affected territory file written protests, the reorganization will be ordered subject to an election at a future date.

- Should more than 50.0% of (a) registered voters and/or (b) landowners holding 50.0% or more of the assessed value of land within the affected territory file written protests2, the reorganization will be terminated.

RECOMMENDATION

Staff recommends conditional approval of the change of organization proposal as submitted along with a conforming sphere of influence amendment as detailed. This recommendation and ancillary actions are consistent with Alternative One as listed in the proceeding section.

ALTERNATIVES FOR ACTION

The following alternative actions are available to San Diego LAFCO:

Alternative One (recommended):
Adopt the attached draft resolution conditionally approving the proposal as submitted (without modifications) and conforming sphere of influence amendment along with delegating protest, making required findings under CEQA, and waiving Policy L-106.

Alternative Two:
Continue consideration to the next regular meeting.

Alternative Three:
Disapprove the change of organization proposal with direction to staff to return at the next regular meeting with a conforming resolution for adoption.

Continued…

PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO's agenda for action as part of a noticed public hearing given the associated need for a sphere of influence amendment. The following procedures are suggested.

1. Commissioner disclosures, if any.
2. Receive verbal presentation from staff unless waived.
3. Open the public hearing and invite testimony beginning with the applicant.
4. Discuss the item and consider the staff recommendation.

On behalf of the Executive Officer,

Michaela Peters
Analyst I

Appendices:

A) Analysis Boundary Change Factors

Attachments:

1) Map of the Affected Territory
2) Draft LAFCO Resolution of Approval
3) Application Materials

APPENDIX A

Government Code Section 56668
Proposal Review Factors

a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, in the next 10 years.

The affected territory as submitted comprises one contiguous area within the City of Santee's jurisdictional boundary involving all or portions of 38 legal parcels that collectively span approximately 26.5 acres and developed with 27 single-family residences. Also included in the affected territory are right-of-way portions of Cala Lily Street, Triana Street, and Monticello Street as well as dedicated open space. Additional development in the surrounding area is expected over the next 10 years, although not necessarily at significant levels. The total estimated resident population is 161. Overall, the affected territory's total assessed *land* value is calculated to be $11,448,779. (emphasis).

b) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

Santee serves as the primary purveyor of general governmental services to the affected territory. These governmental services include community planning, roads, fire protection, law enforcement, and wastewater. Other pertinent service providers include Padre Dam Municipal Water District (domestic water and wastewater). This proposal addresses potable water service and is the focus of the succeeding analysis.

- **Continued Delivery of Potable Water to Affected Territory**
  Padre Dam MWD maintains adequate infrastructure to meet current and anticipated potable water demands (retail) with available capacity to continue to meet current service demands in the affected territory at its planned maximum uses. Materially, the present existing average day potable water flow demand generated within the affected territory is 0.011 million gallons. This amount represents 0.14% of Padre Dam MWD's existing flow demands with the district separately having 4.19 million gallons of remaining capacity available to accommodate new demands going forward.

c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.

Approving the change of organization to detach the affected territory from Helix WD would formalize and strengthen relevant economic and social ties between the lands and Padre MWD. Specifically, the change of organization would serve as a boundary clean-up and make explicit that Padre Dam MWD serves as the designated and exclusive water service provider for the affected territory going forward.

d) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies/priorities set forth in G.C. Section 56377.

Approving the proposed change of organization and detachment from Helix WD would eliminate an existing overlap between Helix WD and Padre Dam MWD and better align the respective service areas consistent with existing infrastructure. The affected territory does not contain "open space" as defined under LAFCO law and no conflicts exist under Government Code Section 56377.

Additional analysis concerning conformance with germane Commission policies follows.

- San Diego LAFCO Policy L-107 requires applicants to disclose and address potential jurisdictional issues associated with their proposals and if applicable requires a consultation process with affected agencies, interested parties, or organizations to help discuss and potentially remedy concerns, unless waived by the Executive Officer. Previous disputes involving the entity responsible for filing the proposal with LAFCO have been resolved via Padre MWD taking the lead. No other jurisdictional disputes or related concerns were identified or disclosed by the applicant or affected agencies amd interested parties in the review of the proposal.

e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

The affected territory does not contain "prime agricultural land", or "agricultural land" as defined under LAFCO law. Specifically, the affected territory does not contain lands currently used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program. Approval of the proposal and detachment from Helix WD would not affect maintaining the physical and economic integrity of agricultural lands.

f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment, the creation of islands or corridors of unincorporated territory, and other similar matters.

LAFCO is in receipt of a draft map and geographic description of the affected territory that details metes and bounds that appear consistent with the standards of the State Board of Equalization and conforming with lines of assessment. LAFCO approval would be conditioned on approval of the map and geographic description by the County Assessor's Office and address any modifications enacted by the Commission. No irregular or otherwise illogical boundary features would be generated from proposal approval.

g) A regional transportation plan adopted pursuant to Section 65080.

The proposed change of organization would eliminate an existing overlap between Helix WD and Padre Dam MWD and better align the respective service areas consistent with existing infrastructure. The proposal and its anticipated outcomes do not generate any known conflicts with *San Diego Forward*, the regional transportation plan adopted by the San Diego Association of Governments.

h) Consistency with the city or county general and specific plans.

See the agenda report.

i) The sphere of influence of any local agency affected by the proposal.

See the agenda report.

j) The comments of any affected local agency or other public agency.

Notice of the submitted change of organization proposal was distributed to all affected and subject agencies as required under LAFCO law. Notices were also provided to all local college and school districts. No written comments on the proposal were received ahead of preparing this agenda report for distribution on April 29, 2024.

k) The ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Information collected and reviewed as part of this proposal indicates Padre Dam MWD – as the de facto receiving agency – having sufficient and available financial resources and administrative controls therein relative to continuing to provide potable water service to the affected territory. This statement is supported by the following factors.

- Padre Dam's last audit covers 2021-2022 and shows the District finished with sufficient liquidity levels with an agency-wide current ratio of 8.6 to 1 (i.e., $8.6 in current assets for every $1.00 in current liabilities).

- Padre Dam MWD finished 2021-2022 with sufficient capital levels and marked by a moderate debt ratio of 24.9% (i.e., only $24.90 out of every $100.00 in net assets are financed.)

- Padre Dam MWD has experienced a mostly upward trend in the last three audited fiscal years with an average total margin of 15.7%.

l) Timely availability of adequate water supplies for projected needs as specified in G.C. Section 65352.5.

The affected territory's existing residential uses are presently within and connected to the Padre Dam MWD's retail potable water system with wholesale supplies provided by the San Diego County Water Authority. Approval of the proposed change of organization would not affect the timely availability of water supplies to the affected territory.

m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposed change of organization would not impact any local agencies in accommodating their regional housing needs.

n) Any information or comments from the landowners, voters, or residents.

No written or formal comments have been submitted to San Diego LAFCO staff as of the date of the posting of the agenda report on April 29, 2024.

o) Any information relating to existing land use designations.

See above analysis for (h).

p) The extent to which the proposal will promote environmental justice.

The change of organization is expected to have a positive impact on environmental justice by further promoting the availability of public water service within the affected territory. Consideration of existing environmental justice factors within the affected territory draws on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two composite percentile rankings for the affected territory are generated within this analysis and involve (a) pollution burdens and (b) susceptible population to pollution burdens relative to all census tracts in California.

- The affected territory's **composite pollution burden ranking** falls in the 62nd percentile with an internal range between 0 and 85 percentiles. Eight pollution burden measurements exceed the 50th percentile and are considered relatively high. These eight measurements comprise (a) two air quality effects involving ozone and diesel as well as (b) six environmental effects involving traffic, drinking water contaminants, groundwater threats, hazardous waste, and impaired water.

- The affected territory's **composite susceptible population** ranking falls in the 18th percentile with an internal range between 6 to 51 percentiles. One of these at-risk groups exceeds the 50th percentile and considered significant in magnitude and involves individuals with low-birth weight.

A summary of all tracked pollution burdens and susceptible populations follows.

Census Tract No. 6073016701
Pollution Burdens and Susceptible Population
Table 2.6a (Source: California Environmental Protection Agency and SD LAFCO)

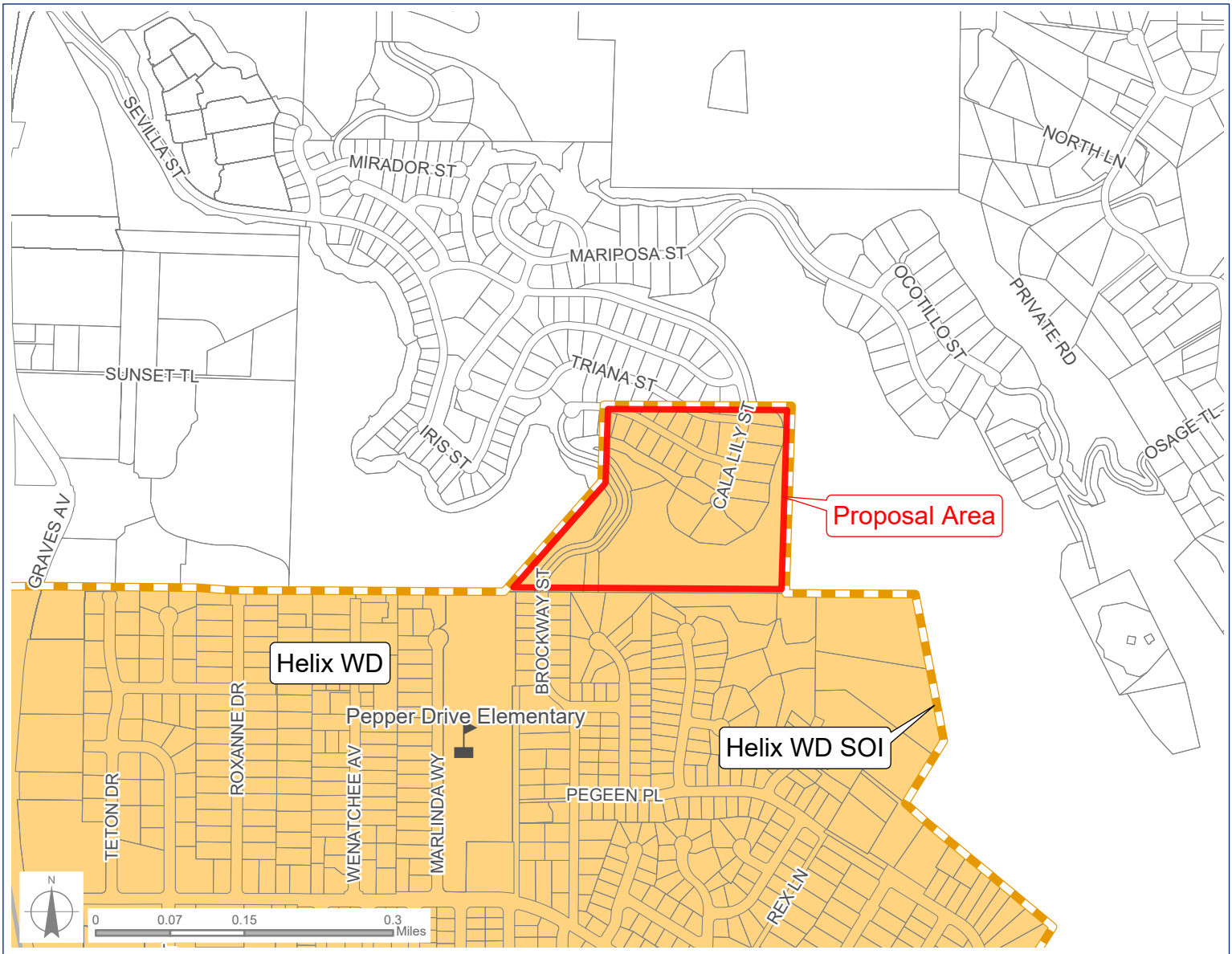
	Affected Territory + Surrounding Lands
Census Tract No.	6073016701
Estimated Population	9,508
Pollution Burden	Weighted Percentile
… Percentile	62.53
Indicator | Air Quality: Ozone	**65.69**
Indicator | Air Quality: PM 2.5:	44.34
Indicator | Air Quality: Diesel PM:	**53.71**
Indicator |Pesticides:	0.00
Indicator | Toxic Releases:	28.99
Indicator |Traffic:	**70.30**
Indicator | Drinking Water Contaminants:	**64.14**
Indicator | Lead in Housing:	24.12
Effects | Cleanup Sites:	18.70
Effects | Groundwater Threats:	**85.85**
Effects | Hazardous Waste:	**65.18**
Effects | Impaired Water:	**82.97**
Effects | Solid Waste:	14.71
Sensitive Population	Weighted Percentile
… Percentile	18.85
Population | Asthma:	16.10
Population | Low Birth Weight:	**51.82**
Population | Cardiovascular Disease:	6.61
Population | Education:	32.94
Population | Linguistic Isolation:	22.17
Population | Poverty:	29.21
Population | Unemployment:	43.09
Population | Housing Burden:	40.27

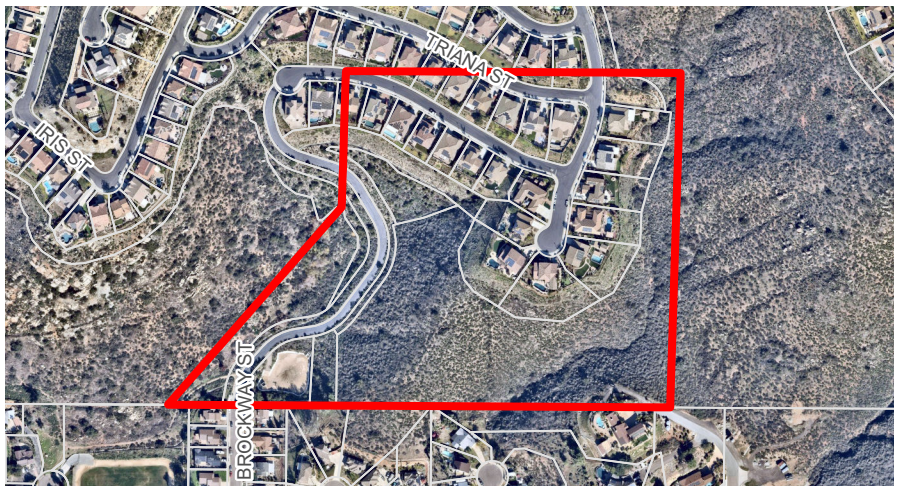
q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area, if it is determined that such information is relevant to the affected territory.

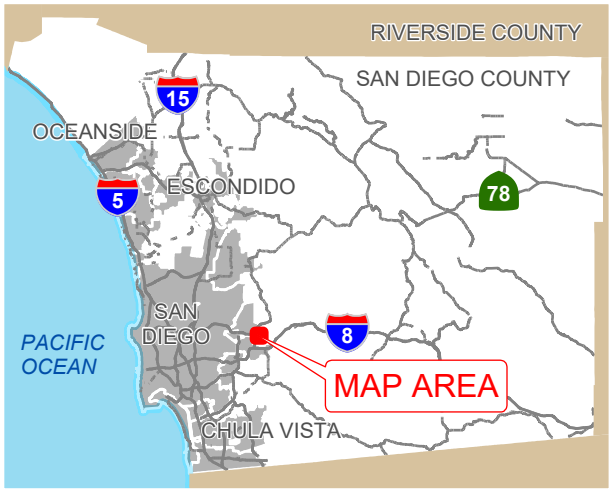
The Santee General Plan contains a hazard mitigation plan for potential fire, flooding, and earthquakes. The affected territory lies within a low-level earthquake hazard area and is not designated within an at-risk wildfire, tsunami, or flooding hazard area.

r) Section 56668.3(a)(1) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and the territory proposed to be annexed to the district.

Approval of the change of organization would be in the best interest of the current and future landowners and/or visitors of the affected territory. Specifically, approval would eliminate an existing boundary overlap between Padre Dam MWD and Helix WD and in doing so make explicit that Padre Dam MWD shall be responsible for providing public water to the affected territory now and going forward.







CO23-13

"SKY RANCH CHANGE OF ORGANIZATION" | DETACHMENT FROM HELIX WD AND CONFORMING SPHERE ACTION

- Proposal Area
- Helix WD SOI
- Helix WD

SOI = Sphere of Influence

San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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Created by Dieu Ngu -- 12/5/2023

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RESOLUTION NO._____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS and APPROVING A CHANGE OF ORGANIZATION

"SKY RANCH CHANGE OF ORGANIZATION"
DETACHMENT FROM THE HELIX WATER DISTRICT AND
CONFORMING SPHERE OF INFLUENCE AMENDMENT
LAFCO FILE NO. CO23-13

WHEREAS, on February 7, 2024, the Padre Dam Municipal Water District filed a resolution to initiate proceedings and an application with the San Diego County Local Agency Formation Commission, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the application seeks approval of a change of organization to detach approximately 26.5 acres of incorporated territory within the City of Santee from the Helix Water District; and

WHEREAS, the affected territory involves 38 legal parcels – 17 of which only involve a portion of the parcel – and are currently developed with 27 single-family residences as part of the "Sky Ranch" community; and

WHEREAS, an applicable master property tax transfer agreement applies to the proposed change of organization dated December 2, 1982; and

WHEREAS, the proposed change of organization necessitates the Commission consider a certain conforming sphere of influence amendment to accommodate the jurisdictional change; and

WHEREAS, the Commission's Executive Officer has reviewed the proposed change of organization and prepared a report with recommendations; and

WHEREAS, the Executive Officer's report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a noticed public meeting on the proposal on May 6, 2024; and

WHEREAS, the Commission considered all the factors required by law under Government Code Sections 56425 and 56668 as well as adopted local policies and procedures.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The public hearing was held on the date set therefore, and due notice of said meeting was given in the manner required by law.

2. At the public hearing, the Commission called for, heard, and considered all public comments by interested parties and read and considered the Executive Officer's report.

3. The Commission is tasked under the California Environmental Quality Act (CEQA) in considering the potential impacts of the proposal as it separately relates to the (a) accommodating sphere of influence amendment and (b) change of organization itself. The Commission's findings follow.

    a) San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence action associated with accommodating the change of organization. It is recommended the Commission find this action – and specifically the amendment of the Helix WD's sphere to exclude the affected territory – is a project under CEQA but exempt from further review under State Guidelines 15061(b)(3). This exemption appropriately applies given it can be seen with certainty that spheres are planning policies and any associated actions (establishment, update, or amendment) in and of itself does not change the environment or authorize any new uses or services.

    b) Padre Dam MWD serves as lead agency under CEQA for considering the physical effects of the change of organization as the initiating party. In this role as lead agency, Padre Dam has determined the change of organization – and specifically the detachment of the affected territory from Helix WD – is a project under CEQA but exempt from further review under State CEQA Guidelines Section 15320 given the proposed change of organization involves the detachment of the affected territory from Helix WD for the purpose of consolidating the Sky Ranch Development in to one service provider and does not change the geographic location in which previous existing powers were exercised. Staff independently believes this is a reasonable determination and as responsible agency, concur with Padre Dam MWD's finding.

4. The Commission <u>CONDITIONALLY APPROVES</u> the sphere of influence amendment for Helix Water District to accommodate and otherwise match the change of organization as shown in the vicinity map provided as Exhibit A.

a) Approval includes the Commission making findings under Government Code Section 56425 consistent with the statements provided in the accompanying Executive Officer's written report.

b) Approval is contingent upon the approval and related issuance of a Certificate of Completion for the change of organization.

5. The Commission APPROVES the change of organization without modifications as described below and subject to conditions as provided. Approval involves all of the following:

    a) Detachment of the affected territory from the Helix WD is shown in "Exhibit B" and described in "Exhibit C."

6. The Commission CONDITIONS all approvals on the following terms being satisfied by May 6, 2025 unless an extension is requested in writing and approved by the Executive Officer:

    a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.

    b) Submittal to the Commission of final map and geographic description of the affected territory as approved by the Commission conforming to the requirements of the State Board of Equalization – Tax Services Division.

    c) Submittal to the Commission of the following payments:

        - A check made payable to LAFCO in the amount of $100.00 for the County of San Diego-Clerk Recorder to reimburse for filing two CEQA Notice of Exemptions consistent with the findings in the resolution.

        - A check made payable to the State Board of Equalization for processing fees in the amount of $1,200.00.

        - A check made payable to LAFCO to reimburse for the actual costs of noticing the proposal for both the public hearing and protest hearing in the San Diego Union Tribune.

7. The Commission waives L-106 and the otherwise provision to prepare a municipal service review to inform the associated sphere of influence amendment authorized as part of this proposal.

8. The Commission assigns the proposal the following short-term designation:

    "Sky Ranch Change of Organization"

9. The affected territory as designated by the Commission is inhabited as defined in Government Code Section 56046.

10. The Commission delegates conducting authority proceedings under Government Code Section 56662 to the Executive Officer.

11. The Helix Water District is a registered-voter districts.

12. The Helix Water District utilizes the County of San Diego assessment roll.

13. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Padre Dam MWD as provided under Government Section 57328.

14. The effective date of the approval shall be the date of recordation but not before the completion of a 30-day reconsideration period and conducting authority proceedings and only after all terms have been completed as attested by the Executive Officer.

15. As allowed under Government Code Section 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defects, errors, irregularities, or omissions.

16. The Executive Officer is hereby authorized and directed to transmit copies of this resolution as provided in Sections 56880-56882 of the Government Code.

17. The Executive Officer is further authorized and directed to prepare, execute, and record a Certificate of Completion, make the required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

**

PASSED AND ADOPTED by the Commission on the 6th of May 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Attest:

_____

Keene Simonds, Executive Officer

EXHIBIT A
VICINITY MAP OF THE AFFECTED TERRITORY
SPHERE OF INFLUENCE AMENDMENT

-Placeholder-

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EXHIBIT B
MAP OF THE AFFECTED TERRITORY

-Placeholder-

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EXHIBIT C
DESCRIPTION OF THE AFFECTED TERRITORY

-Placeholder-

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