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

7b

AGENDA REPORT
Public Hearing | Action

October 7, 2024

TO: Commissioners

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

SUBJECT: **Proposed "O'Ryan – Calavo Drive Change of Organization" | Annexation to the Otay Water District & Conforming Sphere Action (CO24-05)**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will consider a change of organization proposal initiated by landowner petition. The proposal seeks Commission approval to annex 0.30 acres of unincorporated territory within the Spring Valley community to the Otay Water District (WD). The affected territory comprises one undeveloped legal parcel entirely within Otay WD's sphere of influence. The proposal's purpose is to establish wastewater service to facilitate the planned development of one single-family residence and accompanying accessory dwelling unit (ADU). Staff recommends conditional approval of the proposal with a modification to include 8.11 acres of adjacent public right-of-way along Avocado Boulevard as a boundary enhancement with a conforming sphere amendment. Waivers are also recommended. This includes waiving the applicant fee for the corresponding sphere amendment associated with the proposed modification, proceeding without a new municipal service review that would otherwise be required under LAFCO Policy L-106, and dismissing protest proceedings. It is separately recommended the Commission make exemption findings under the California Environmental Quality Act.

Administration
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, California 92103
T 619.321.3380
E lafco@sdcounty.ca.gov
www.sdlafco.org

Joel Anderson, County of San Diego
Jim Desmond, County of San Diego
Nora Vargas, Alt., County of San Diego
Kristi Becker, City of Solana Beach
Dane White, City of Escondido
John McCann, Alt., City of Chula Vista
Chair Stephen Whitburn, City of San Diego
Marni von Wilpert, Alt., City of San Diego
Vice Chair Barry Willis, Apline Fire Protection
Jo Mackenzie, Vista Irrigation
David A. Drake, Alt., Rincon del Diablo
Harry Mathis, General Public
Brigette Browning, Alt., General Public

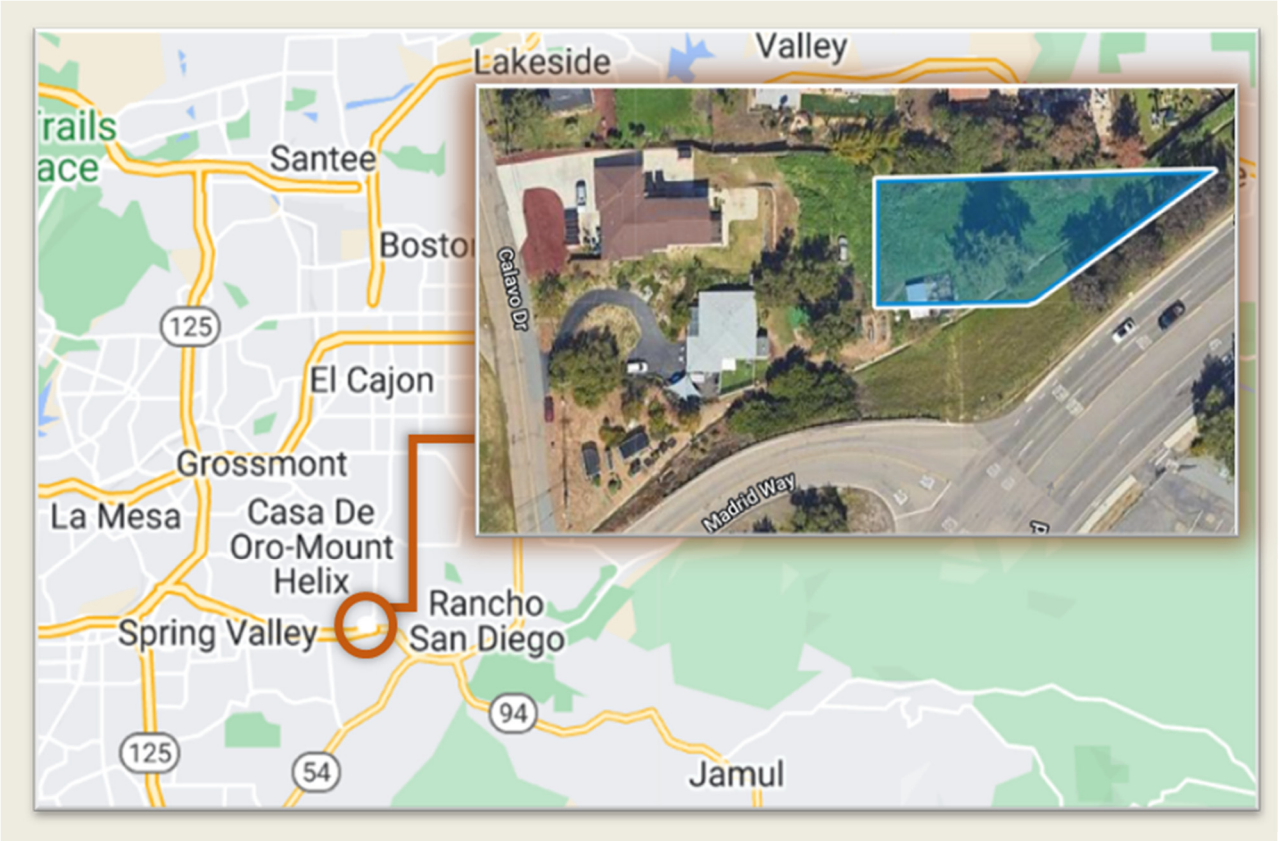
BACKGROUND

Applicant Request

San Diego LAFCO has received a change of organization proposal initiated by landowner petition (Ana O'Ryan) requesting approval to annex 0.30 acres of unincorporated territory within Spring Valley to the Otay WD. The affected territory as submitted comprises one undeveloped parcel identified by the County of San Diego Assessor's Office as 501-282-62 and with a situs address of 3671-3673 Calavo Drive.

Regional Setting

The affected territory lies in eastern San Diego County within the unincorporated community of Spring Valley which generally lies east of State Route 125, south of Interstate 8, and north of State Route 94. All of the affected territory lies within County Supervisorial District No. 4 (Monica Montgomery Steppe), Assembly District No. 75 (Marie Waldron), and Senate District No. 18 (Steve C. Padilla). 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 Otay WD along with the recommended modification area as further detailed.



Subject Agency

The proposed change of organization filed with San Diego LAFCO involves one subject agency: Otay WD.[1] A summary of the subject agency in terms of governance, resident population, municipal functions, and financial standing follows.

- **Otay WD** is an independent special district formed in 1956. The jurisdictional boundary spans 125.5 square miles and includes the unincorporated communities of Spring Valley, La Presa, Rancho San Diego, and Jamul as well as an eastern portion of the City of Chula Vista with an overall projected District population of 225,164. A five-member Board of Directors oversees Otay WD's three active municipal functions: domestic water; wastewater; and recycled water with the latter two being geographically restricted.[2] LAFCO established a sphere of influence for the Otay WD in 1983. The sphere was most recently reviewed and affirmed in 2007 with a "larger-than-agency" designation. Otay WD operates as an enterprise with user fees expected to cover day-to-day operations for all three active service functions. The Otay WD's audited net position is $431.1 million as of June 30, 2023, with an unrestricted balance of $83.3 million. This includes an ending cash balance of $46.8 million. The ending net position reflects an overall change during the three last audited years of 2.6%.

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 are listed below.[3]

- County Service Area No. 135 (Communications)
- Grossmont Healthcare District
- Helix Water District
- Metropolitan Water District of Southern California
- San Diego County Flood Control District
- San Diego County Street Lighting District
- San Diego County Water Authority
- San Miguel Consolidated Fire Protection District

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; Grossmont-Cuyamaca Community College District; and La Mesa-Spring Valley School District.

[1] State law defines "subject agency" to mean any district or city for which a change of organization or reorganization is proposed.
[2] Wastewater services are limited to the northern half of the jurisdictional boundary consisting of 6.7 square miles of sewer lines which collect and convey wastewater for treatment and reuse to the Ralph W. Chapman Reclamation Facility. The balance is subsequently conveyed to the San Diego Metropolitan Wastewater Department (MWWD) for additional treatment and disposal.
[3] 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 annex the affected territory to Otay 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 extend public wastewater to the affected territory and in doing so accommodate the planned development of a single-family residence and accompanying ADU as allowed under County zoning. The change of organization would make explicit under State Law via LAFCO that Otay WD is the designated wastewater service provider for the affected territory going forward. The timing of the proposal follows the County's October 2023 approval of a residential primary permit (PDS2020-RESPRI-000118).

Current and Planned Land Uses

The affected territory is entirely unincorporated and under the land use authority of the County of San Diego and its adopted policies. Specific development policies for the affected territory are delegated in the County General Plan to the Valle de Oro Community Plan (2011). The present land use designation applied to the affected territory is Semi-Rural Residential (SR-0.5), which provides up to one dwelling unit per every half acre. The affected territory is zoned Rural Residential (RR) with a minimum parcel size prescription of 0.5 acres. This zoning assignment produces a maximum density of two dwelling units divided between the legal parcel having a single-family residence and an accessory dwelling unit.

Commission Focus

Two 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 the (a) timing of the change of organization itself and (b) whether modifications or approval terms are appropriate. The Commission must also consider other relevant statutes in, and outside of LAFCO law as further detailed in the proceeding section.

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 | Change of Organization 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.[4] 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.

- 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 jurisdictional changes' 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 planned uses and specifically to develop one single-family residence and ADU merits public wastewater services. Annexation of the affected territory to Otay WD for the purpose of making available public wastewater accommodates this need and serves as a preferred alternative to operating one or more onsite septic systems.

  - With respect to **service availability and capacities,** Otay WD has available and sufficient wastewater capacities to accommodate the projected service demands in the affected territory at its planned uses. Specifically, an existing Otay WD wastewater main is located within the public right-of-way along Avocado Boulevard and can readily serve the affected territory through the extension of an approximate 10-foot private lateral connection. Based on the planned uses, it is projected the maximum average day wastewater flow generated within the affected territory is 300 gallons and can be readily accommodated by Otay WD and represents 0.019% of its remaining available capacity.[5]

4 Reference to Government Code Section 56668.
5 Otay WD's existing average day wastewater flow is 1.018 million gallons, equaling 0.019% overall capacity at Chapman WR Facility.

- With respect to **related financial considerations**, Otay WD has adequate financial resources and related administrative controls to provide wastewater services to the affected territory in support of its planned development without adversely impacting current ratepayers. This comment is reflected in staff analysis of recent audited statements, which shows the Otay WD having established relatively healthy levels of liquidity and capital, highlighted by an ending current ratio of 3.8 to 1 and a debt ratio of 32.9%, respectively, as of June 30, 2023. These measurements provide reasonable assurances of Otay WD'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 with additional details footnoted.[6] No jurisdictional disputes have been disclosed by Otay WD in filing the change of organization proposal. LAFCO staff, similarly, has not identified any disputes or related concerns in the administrative review.

CONCLUSION |
MERITS OF CHANGE OF ORGANIZATION TIMING

The timing of the change of organization involving the annexation of the affected territory to the Otay WD is sufficiently warranted. Justification is marked by the preceding analysis and highlighted by appropriately syncing a planned need with available public facilities and capacities. Additional analysis supporting the conclusion is provided in Appendix A.

Item No. 2 |
Modifications and Terms

One modification to the submitted change of organization has been identified by San Diego LAFCO staff meriting Commission consideration. The identified modification involves expanding the affected territory by an additional 8.11 acres to include the public right-of-way along Avocado Boulevard – which will necessitate a conforming sphere of influence action. The modification aims to achieve connectivity between the District's jurisdictional boundary and the affected territory consistent with the overlapping tax rate area as suggested by the County of San Diego Assessor's Office. The modification also supports a logical expansion of the Otay WD's boundary and by avoiding irregular or otherwise illogical boundary features. Staff also recommends the Commission approve a fee waiver associated with the sphere of influence amendment as it results from a modification identified by staff.

[6] The Executive Officer retains discretion to determine the extent of consultation needed.

Additional analysis addressing the conforming sphere amendment necessitated by the recommended boundary modification per statute is provided in Appendix B.

CONCLUSION | MODIFICATIONS AND TERMS

Staff recommends a modification to include an 8.11-acre portion of public right-of-way along Avocado Boulevard – consistent with the overlapping tax rate area – and contiguous to the affected territory. The modification purpose of the inclusion is to achieve connectivity between the affected territory and the established service boundary for the Otay WD. Given the amendment ties to a modification identified by staff – and the affected territory as submitted presently lies entirely within the District's sphere – staff requests Commission approval to waive the fee associated with the conforming sphere action. Additional analysis relating to the sphere amendment to Otay WD necessitated by the recommended modification is provided in Appendix B.

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 change of organization. The master agreement specifies no transfer of property taxes would occur following the annexation of the affected territory to Otay 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 amendment to the Otay WD associated with the recommended boundary modification. It is recommended the Commission find this action 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.

- San Diego LAFCO serves as lead agency under CEQA for the change of organization and assessing potential impacts of the proposal and specifically the annexation and extension of public wastewater service to the affected territory. Staff believes the proposal – including the proposed modification – qualifies as a project but is exempt from further review under State CEQA Guidelines Section 15319(b) and its cross-reference to Section 15303. This exemption appropriately applies given the proposed change of organization could accommodate no more than one single-family residence and ADU based on current zoning.

Protest Proceedings

Protest proceedings for the proposed change of organization may be waived by LAFCO should the Commission proceed with approval under Government Code Section 56662. The waiver appropriately applies under this stature given the affected territory as modified is uninhabited as defined under LAFCO law (i.e., less than 11 voters); the subject agency has not filed an objection to the waiver; and the landowners have consented to the underlying action.[7]

RECOMMENDATION

Staff recommends conditional approval of the change of organization proposal as submitted along with standard terms. This recommendation is consistent with the action outlined as Alternative One 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 change of organization proposal with modifications as detailed along with a conforming sphere of influence amendment. Approval would also include all of the following: waive protest proceedings; waive applicant fee in the amount $4,163.25 tied to the sphere of influence amendment; waive LAFCO Policy L-106 and the requirement of a new municipal service review to inform a sphere amendment; and make exemption findings as detailed under CEQA.

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.

[7] LAFCO law defines uninhabited as territory in which less than 11 registered voters reside.

PROCEDURES FOR CONSIDERATION

This item has been placed on San Diego LAFCO's agenda for action as part of a noticed public hearing. The following procedures are recommended in the consideration of this item:

1. Disclose any material ex parte communications.
2. Receive verbal presentation from staff unless waived.
3. Open the public hearing and invite comments from the applicant and general public.
4. Discuss item and consider the staff recommendation.

On behalf of the Executive Officer,

Michaela Peters
Analyst II

Appendices:

A) Analysis Proposal Review Factors
B) Analysis of Sphere Amendment to Support Recommended Modification

Attachments:

1) Vicinity Map of the Affected Territory as Submitted
2) Draft Resolution of Approval
3) Application Materials

Blank for Photocopying

APPENDIX A
Government Code Section 56668
Mandatory 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 a 0.30-acre area within the unincorporated community of Spring Valley. The subject parcel is currently undeveloped with plans of developing a single-family residence and an accessory dwelling unit. The County of San Diego Assessor's Office identifies the parcel as 501-282-62 with a current assessed *land* value (land and structures) of $147,963 with the last transaction recorded in December 2018. (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.

The County of San Diego serves as the primary purveyor of general governmental services to the affected territory. These governmental services include community planning, roads, and law enforcement. Other pertinent public service providers include Helix Water District (potable water) and San Miguel Consolidated Fire Protection District (fire protection and emergency medical). This proposal affects only wastewater via the proposed annexation to Otay WD and is the focus of the succeeding analysis.

- **Extending Public Wastewater to Affected Territory**
  Connection to Otay WD can be made available through a 10-foot private lateral extension of an existing wastewater main located within the public right-of-way along Avocado Boulevard. The projected average daily wastewater flow for the affected territory at its maximum use and planned development is 300 gallons. This projected amount can be readily accommodated by Otay WD and represents 0.019% of its available wastewater treatment capacity.

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 annex the affected territory to Otay WD would reflect and strengthen existing economic and social ties between the District and the affected territory that tie back to LAFCO placing lands within the District's sphere of influence. This existing designation signals the explicit policy expectation of the lands meriting wastewater service from Otay WD when the timing is separately deemed appropriate.

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 annexation to Otay WD would facilitate the orderly expansion of the District's jurisdictional boundary consistent with the sphere of influence. 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. No jurisdictional disputes or related concerns were identified or disclosed by the applicant, affected agencies, or 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 presently 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 annexation to Otay WD would not adversely affect the physical or economic well-being 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 extend wastewater service to accommodate the planned construction of a single-family residence and accessory dwelling unit consistent with current zoning. 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 September 30, 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 the Otay WD has overall sufficient and available financial resources and administrative controls therein relative to serving the affected territory without adversely impacting existing constituents. This statement is supported by the following factors.

- Otay WD's last audit covers 2022-2023 and shows the District finished with low liquidity levels with an agency-wide current ratio of 3.8 (i.e., $3.81 in current assets for every $1.00 in current liabilities).

- Otay WD finished 2022-2023 with good capital levels and marked by a low debt ratio of 32.9% (i.e., only $32.90 out of every $100.00 in net assets are financed).

- Otay WD finished 2022-2023 with an overall total margin of 0.27%.

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

The affected territory's planned residential uses are presently within and connected to the Helix WD'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.

The affected territory is considered uninhabited as defined by LAFCO law (containing 11 registered voters or less). The landowners support the proposed change of organization and have provided written consent to the proceedings as the petitioners.

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 enhancing wastewater services within the affected territory and for any groups that are susceptible to pollution burdens and their effects. 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 11th percentile with an internal range between 0 and 65 percentiles. Two pollution burden measurements exceeds the 50th percentile and are considered relatively high and includes Air Quality: Ozone and Drinking Water Contaminants.

- The affected territory's **composite susceptible population** ranking falls in the 19th percentile with an internal range between 10 and 71 percentiles. One of these at-risk groups exceeds the 50th percentile and considered significant in magnitude and involves unemployment.

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

Census Tract No. 6073013605 Pollution Burdens and Susceptible Population (Source: California Environmental Protection Agency and SD LAFCO)	
	Affected Territory + Surrounding Lands
Census Tract No.	6073013605
Estimated Population	6,227
Pollution Burden	Weighted Percentile
… Percentile	11.6
Indicator | Air Quality: Ozone	**60.0**
Indicator | Air Quality: PM 2.5:	47.9
Indicator | Air Quality: Diesel PM:	10.6
Indicator |Pesticides:	0.0
Indicator | Toxic Releases:	34.4
Indicator |Traffic:	35.3
Indicator | Drinking Water Contaminants:	**65.8**
Indicator | Lead in Housing:	29.0
Effects | Cleanup Sites:	0.0
Effects | Groundwater Threats:	0.0
Effects | Hazardous Waste:	35.6
Effects | Impaired Water:	12.5
Effects | Solid Waste:	0.0
Sensitive Population	Weighted Percentile
… Percentile	18.9
Population | Asthma:	22.9
Population | Low Birth Weight:	33.4
Population | Cardiovascular Disease:	10.5
Population | Education:	11.4
Population | Linguistic Isolation:	28.8
Population | Poverty:	32.1
Population | Unemployment:	**71.7**
Population | Housing Burden:	37.5

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 County of San Diego General Plan contains a hazard mitigation plan for potential fire, flooding, and earthquakes. The affected territory lies within a "No Designation" fire hazard zone and a "Low-Level' earthquake zone.

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 residents of the affected territory. Specifically, approval would provide access to reliable public wastewater service to the affected territory and adjacent landowners and/residents by eliminating the operation of a private septic system and potential failures.

Blank for Photocopying

APPENDIX B

Supplemental Analysis
Proposed Sphere of Influence Amendment

The proposed change of organization and recommended modification therein necessitates San Diego LAFCO to consider a conforming sphere of influence amendment to Otay WD. The scope of the conforming amendment involves expanding the existing sphere to include the 8.11-acre portion of public right-of-way along Avocado Boulevard. This supplemental 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.[8] 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 subject agency was completed in 2007. Requiring a new municipal service review –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 proposed modification (i.e., modification to Otay WD's jurisdictional boundary with a concurrent sphere amendment to achieve connectivity between the affected territory and the District).

- 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 0.30 acres of unincorporated territory within the community of Spring Valley. The affected territory is presently undeveloped and pre-zoned by the County as Semi-Rural Residential (SR-0.5), allowing for one single-family residence and accessory dwelling unit (ADU). These planned residential uses – which parallel existing surrounding uses – is readily compatible with the conforming amendment.

8 Reference to Government Codes 56430 and 56425, respectively.

- With respect to the **present and probable need for one or more public services**, there is pending need for public wastewater services within the affected territory to accommodate the development of a single-family residence and ADU to avoid the use of one or more onsite septic systems. The present and continued need for public wastewater is readily compatible with the conforming sphere amendment.

- With respect to the **overall adequacy of the agencies' public services**, a 2007 municipal service review on the Otay WD attests to the overall sufficiency of resources (infrastructure, finances, etc.) to continue to provide wastewater throughout its existing service area. Additional analysis on the ability to accommodate the underlying project is included in the proceeding section. No material deficiencies have been identified by LAFCO staff as part of the proposal review process. The overall adequacy of the wastewater system is readily compatible with the conforming amendment.

- With respect to **social or economic communities of interest if relevant to the agencies**, the Commission previously determined the affected territory's social and economic ties were best aligned with Otay WD, and accordingly placed the subject land within the existing agency sphere. The proposed sphere of influence expansion will facilitate the modification identified by staff and in doing so achieve connectivity between the affected territory and the jurisdictional boundary.

- 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

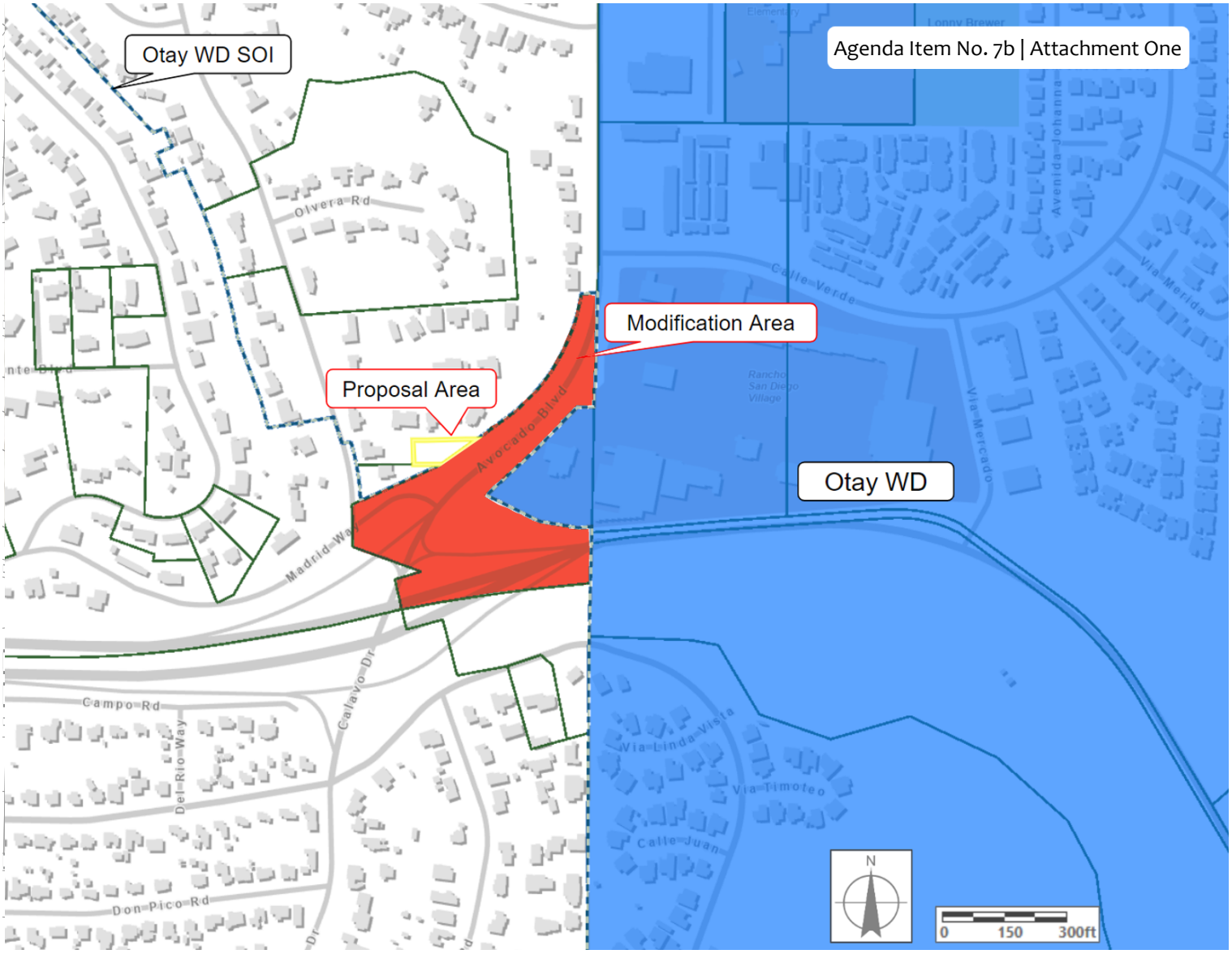
  San Diego LAFCO's policies guiding sphere of influence actions are primarily codified under L-102. This policy was adopted in August 1990 and last substantively updated in June 2000. It directs the Commission to utilize spheres to guide deliberations on future changes of organizations and in doing so – 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 sphere of influence amendment necessary to accommodate the proposed change of organization conforms with L-102. Most directly, the amendment would facilitate a known and otherwise modest jurisdictional change.

CONCLUSION | MERITS OF A CONFORMING SPHERE OF INFLUENCE AMENDMENT

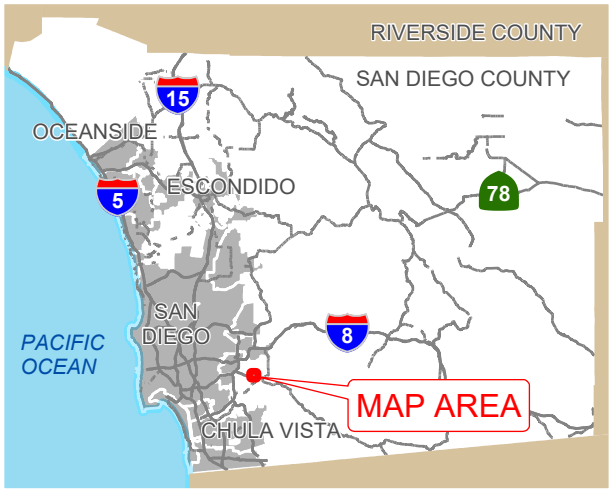
The conforming sphere of influence amendment to accommodate the proposed change of organization is sufficiently justified under both statute and local policy. Justification is marked by the preceding analysis and largely premised on the following two policy factors. First, it is assumed the Commission determines a new municipal service review is not necessary given the otherwise limited scope of service impacts associated with the annexation and a wavier is appropriate. Second, it is assumed the addition of public right-of-way along Avocado Boulevard is necessary to facilitate connectivity to the jurisdictional boundary and would better align the proposal territory with existing infrastructure and the District's boundary.

Blank for Photocopying

Agenda Item No. 7b | Attachment One







CO24-05 "O'RYAN - CALAVO DRIVE CHANGE OF ORGANIZATION" | ANNEXATION TO OTAY WATER DISTRICT AND RELATED SPHERE ACTION

SOI = Sphere of Influence

- Proposal Area
- Modification Area
- Otay WD SOI
- Otay WD

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

This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright LAFCO and SanGIS. All Rights Reserved.This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This map has been prepared for descriptive purposes only and is considered accurate according to SanGIS and LAFCO data.

Created by Dieu Ngu and Meghan Traynor -- 9/30/2024

Blank for Photocopying

RESOLUTION NO._____

SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

MAKING DETERMINATIONS, APPROVING, AND ORDERING A CHANGE OF ORGANIZATION

"O'RYAN – CALAVO DRIVE CHANGE OF ORGANIZATION"
ANNEXATION TO OTAY WATER DISTRICT AND CONFORMING SPHERE ACTION
LAFCO FILE NO. CO24-05

WHEREAS, on February 26, 2024, interested landowner – Ana O'Ryan – filed a petition 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 annex 0.30 acres of unincorporated territory within Spring Valley to the Otay Water District (WD); and

WHEREAS, the affected territory as proposed includes one undeveloped legal parcel identified by the County of San Diego Assessor's Office as 501-282-62; and

WHEREAS, an applicable master property tax transfer agreement applies to the proposed change of organization dated December 14, 1982; 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 October 7, 2024; and

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

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

1. The public meeting 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 meeting, the Commission considered the Executive Officer's report.

3. The Commission serves as lead agency for environmental review of the proposed change of organization under the California Environmental Quality Act (CEQA) as detailed in the Executive Officer's report. The Commission's findings follow.

a) San Diego LAFCO serves as lead agency under CEQA for the conforming sphere of influence amendment to the Otay WD. It is recommended the Commission find this action – and specifically the amendment of the Otay WD's sphere to include the modification area identified by staff – 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) San Diego LAFCO serves as lead agency under CEQA for the change of organization and assessing potential impacts of the proposal and specifically the annexation and extension of public wastewater service to the affected territory. Staff believes the proposal qualifies as a project but is exempt from further review under State CEQA Guidelines Section 15319(b) and its cross-reference to Section 15303. This exemption appropriately applies given the proposed change of organization could accommodate no more than one single-family residence and ADU based on current zoning.

4. The Commission CONDITIONALLY APPROVES the following sphere of influence amendment subject to recordation of a certificate of completion for the proposal.

    a) The sphere of influence for Otay WD is expanded to include the 8.11-acre modification area as shown in Exhibit "A".

5. The Commission's written statement of determinations addressing the mandatory factors required for consideration any time spheres of influence are adopted, amended, or updated under Government Code § 56425 are addressed in the Executive Officer's written report and incorporated herein.

6. Approval of the above-stated sphere of influence amendment includes an enabling waiver by the Commission – as recommended by the Executive Officer – of the provision in San Diego LAFCO's Policy L-106 that would otherwise require the preparation of one or more municipal service reviews.

7. The Commission CONDITIONALLY APPROVES the change of organization to the Otay WD with a modification and subject to conditions as provided. The modification involves the addition of an 8.11-acre portion of the public right-of-way along Avocado Boulevard. This modification is shown on the vicinity map provided as Exhibit "A".

    a) The affected territory as modified consistent with the State Board of Equalization filing standards is shown in "Exhibit B" and described in "Exhibit C."

8. The Commission approves a fee waiver to cover the fee associated with processing the sphere of influence amendment and totaling $4,163.25.

9. The Commission CONDITIONS all approvals on the following terms being satisfied by October 7, 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 the filing of 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 $500.00.

        - A check made payable to LAFCO in the amount of $1,893 to reimburse the public hearing notice published in the San Diego Union Tribune.

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

    "O'Ryan – Calavo Drive Change of Organization"

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

12. The Commission waives conducting authority proceedings under Government Code Section 56662.

13. The Otay Water District is a registered-voter district.

14. The Otay Water District utilizes the County of San Diego assessment roll.

15. The affected territory will be liable for any existing bonds, contracts, and/or obligations of the Otay Water District as provided under Government Section 57328.

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

17. 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.

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

19. 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 October 7, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**

Attest:

_____
Keene Simonds
Executive Officer

Blank for Photocopying

EXHIBIT A
VICINITY MAP OF THE AFFECTED TERRITORY

-Placeholder-

Blank for Photocopying

EXHIBIT C
MAP OF THE AFFECTED TERRITORY

-Placeholder-

EXHIBIT C
GEOGRAPHIC DESCRIPTION OF THE AFFECTED TERRITORY

Blank for Photocopying

...Dedicated to Community Service
2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
TELEPHONE: 670-2222, AREA CODE 619 www.otaywater.gov

January 24, 2024

Project No: P1438-010000
Activity: 3307

Ana O'Ryan
6005 Samuel Street,
La Mesa, CA 91942

Subject: Sewer Annexation – 3671-3673 Calavo Drive, Spring Valley, CA 91977 (APN: 501-282-62-00);
Will Serve Letter

Dear Ms. O'Ryan:

The Otay Water District ("District") has no objection to your request for sewer annexation into the District's service boundary and Sewer Improvement District 18 for sewer service. As provided to the District, you intend to annex your parcel located at 3671-3673 Calavo Drive in Spring Valley, CA 91977, APN: 501-282-62-00 ("Project"). The nearest sewer main is located north of the parcel near Avocado Boulevard.

The developer must comply with Section 62.01 of the District's Code of Ordinances that states, "To provide for future line extensions, pipelines installed within public streets must be constructed to the subdivision boundary and pipelines not installed within a public street must be installed in a District easement or right-of-way and must extend across the frontage of the parcel or parcels to be served."

Should the developer require any modifications to the sewer's existing system, the developer will be required to submit plans for District review and approval prior to any modifications to the existing system and extend the sewer main to front all properties in question. Each parcel must have its own service. The District requires that the design and construction of new facilities be in conformance with the Water Agencies' Standards and that the District's plan check and approval of the plans be completed prior to commencement of construction.

The property is located outside of the District's service boundary and, therefore, any jurisdictional changes to the service boundary will need to be reviewed and approved by the San Diego Local Agency Formation Commission (LAFCO) before the District can proceed with your intention of a sewer annexation request for approval by our Board of Directors. The applicant will be responsible for all LAFCO and District annexation processing fees.

Also, enclosed are District Code of Ordinances Sections 9, 53, 62 and Code of Ordinances Appendix A Fees, which can also be found on the District's website at http://otaywater.gov/about-otay/news-and-documents/code-of-ordinances.

Sincerely,
OTAY WATER DISTRICT

Kevin Cameron, P.E.
Engineering Manager

KC:jf

Enclosures: Code of Ordinances Sections 9, 53, and 62
Code of Ordinances Appendix A Fees

Part IVb: LANDOWNER PETITION

Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed (Govt. Code § 56705).

Each of the undersigned states:

- I personally signed this petition.
- I am a landowner of the affected territory.
- I personally affixed hereto the date of my signing this petition and the Assessor's Parcel Number(s), or a description sufficient to identify the location of my land.

Name of Signer	Assessor's Parcel Number(s)	Date Signed	Official Use
DocuSigned by: Sign Ana O'Ryan 051CDCB9942F4B2... Print Ana O'Ryan	501-282-62-00	01/24/2024	
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			

JORDAN Z. MARKS
ASSESSOR/RECORDER/COUNTY CLERK
COUNTY OF SAN DIEGO
www.sdarcc.ggov

ASSESSOR'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 103
SAN DIEGO, CA 92101-2480
(619) 236-3771 • FAX (619) 557-4056

RECORDER/COUNTY CLERK'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 260
P.O. BOX 121750 SAN DIEGO, CA 92101-4147
(619) 237-0502 • FAX (619) 557-4155

ASSESSOR BOUNDARY CHANGE REPORT

REPORT DATE: 06/06/2024

A. FILE NO./NAME: CO24-05 O'RYAN - CALAVO DRIVE CHANGE OF ORGANIZATION
ACTION: ANNEXATION TO THE OTAY WATER DISTRICT (FOR WASTEWATER SERVICES)

B. APN(S): 501-282-62-00

C. TRA(S): 83109 (PARCEL) / 83018 (MODIFICATION AREA WITHIN RIGHT OF WAY)

D. AREA: 0.30 ACRES (PARCEL) / 8.11 ACRES (MODIFICATION AREA WITHIN RIGHT OF WAY)

E. AFFECTED AGENCIES:
OTAY WATER DISTRICT

F. CITIES (OTHER THAN THOSE IN PROPOSAL) WITHIN 3 MILES OF PROPOSAL:
EL CAJON, LA MESA, LEMON GROVE

G. PROPOSAL AREA BOUNDARY MAP & GEOGRAPHIC DESCRIPTION:

		YES or NO
1.	CORRECTION RECOMMENDED	YES
2.	DEFINITE AND CERTAIN	YES
3.	FOLLOW ASSESSMENT & OWNERSHIP LINES	YES
4.	MODIFICATION FOR THE ADDITION/DELETION OF TERRITORY RECOMMENDED	YES

IF YES, PROVIDE BRIEF DESCRIPTION AND ATTACH MODIFICATION AREA MAP.
ASSESSOR RECOMMENDS THE ADDITION OF TERRITORY WITHIN RIGHT OF WAYS CALAVO DR, MADRID WAY, AVOCADO BLVD AND STATE ROUTE 94, ALL BOUNDED BY TAX RATE AREA 83018. THIS PROVIDES THE BEST ALIGMENT WITH ASSESSMENT LINES, DISTRICT BOUNDARIES, AND SPHERE OF INFLUENCE BOUNDARY. THIS IS AN ADDITIONAL 8.11 ACRES.

H. PROPOSAL TERRITORY IS NON-CONTIGUOUS TO ANNEXING AGENCY
CURRENT NON-CONTIGUOUS. MODIFICATION WILL MAKE PROPOSAL AREA CONTIGUOUS.

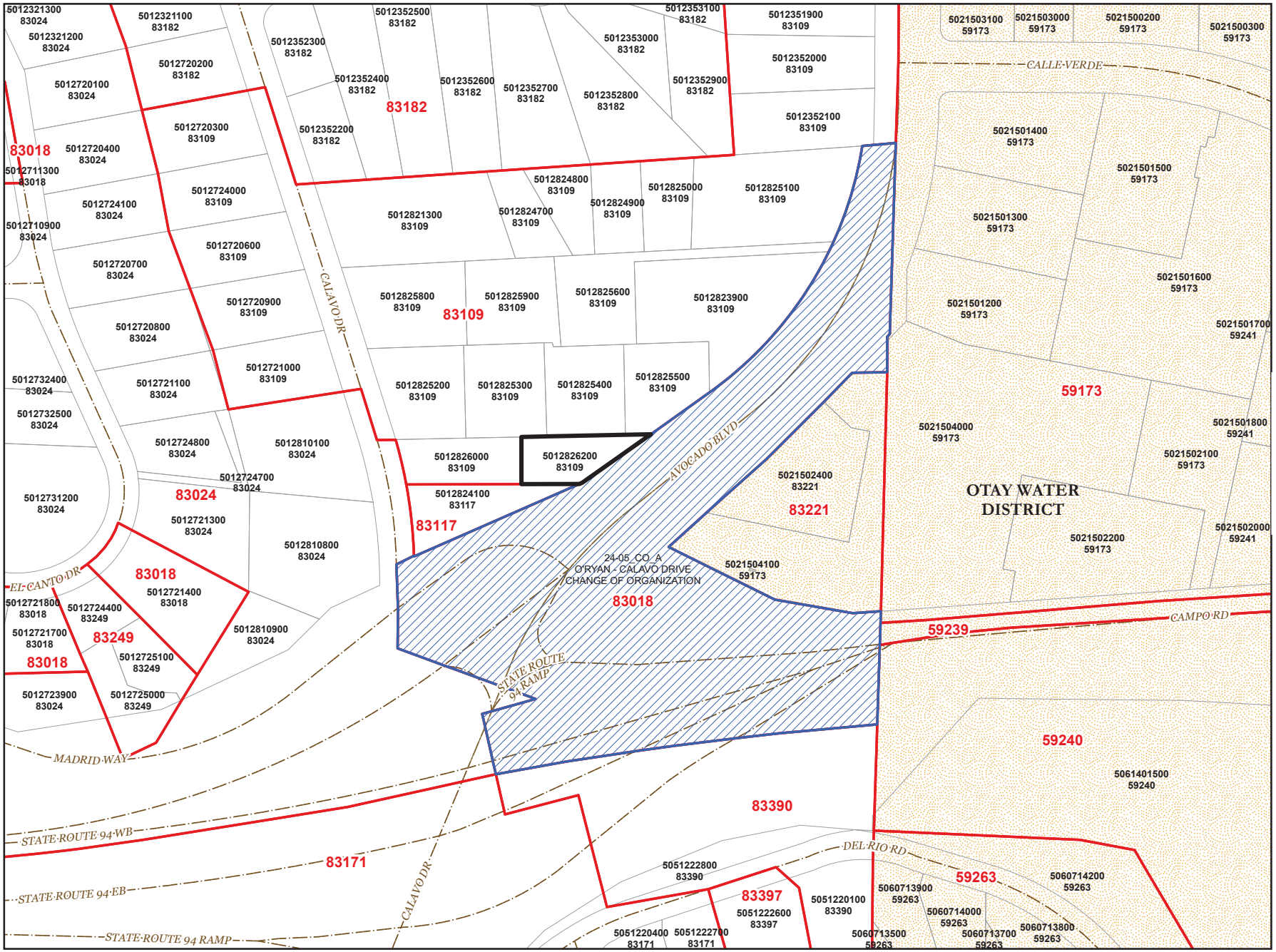
I. APPARENT CONFLICTS WITH OTHER AGENCIES: NONE

J. "PARCEL DETAILS" PRINTOUT TO SHOW OWNERSHIP AND ASSESSED VALUATION
K. "TRA CHARACTERISTICS" PRINTOUT TO SHOW CITIES DISTRICTS INC. WHOLLY OR PARTIALLY WITHIN PROPOSAL
L. VICINITY MAP TO SHOW APPROXIMATE LOCATION OF TAX RATE AREAS

DATE: 06/06/2024

Jeffrey Delarosa
Digitally signed by Jeffrey Delarosa
Date: 2024.06.06 13:39:19 -07'00'

SUPERVISOR, ASSESSOR'S MAPPING DIVISION



COUNTY OF SAN DIEGO
Assessor/Recorder/County Clerk
Mapping Division

TRA VICINITY MAP

"O'RYAN-CALAVO DRIVE CHANGE OF ORGANIZATION ANNEXATION TO THE OTAY WATER DISTRICT

LAFCO FILE NO.: CO24-05

LEGEND

- CO24-05 PROPOSAL AREA
- CO24-05 MODIFICATION AREA
- OTAY WATER DISTRICT
- ASSESSOR PARCEL
- TAX RATE AREA

N
W E
S

SCALE: 1"=150'
APN(S): 501-282-62
AREA: 0.30 ACRES (PARCEL)
8.11 (ADDITIONAL AREA)
SHEET 1 OF 1

DRAWN BY: J. DELAROSA
DATE: 6/6/2024

DISCLAIMER: FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED. THIS MAPDATA IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

SanGIS
We Have San Diego Covered!

Blank for Photocopying